American Gas Association MONTHLY

Postwar Gas Promotion Plan

•

Twenty-Sixth Annual Meeting

•

Demobilizing Gov't Controls

•

Rates vs. Excess Profit Tax

•

Evaluate Water Heating Load

November 1944

VOLUME XXVI NUMBER 11

Gas is the Industrial Heating Fuel

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INDUSTRIAL AND COMMERCIAL GAS SECTION
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THE TREND IS TO GAS
FOR ALL
INDUSTRIAL HEATING

One of the current advertisements in the national industrial and commercial gas campaign

American Gas Association MONTHLY

CONTENTS FOR NOVEMBER 1944

This twenty-sixth annual meeting number is unique for several reasons. Being the shortest ever sponsored by the A. G. A. it was possible to carry all *major addresses—all two of them—in one issue and at the same time to publish considerable additional material. . . . It is the first time we have had the privilege of broadcasting such an ambitious and far-sighted program as that outlined by retiring President Acker. If ever there was a* must *program for an industry, this is it. . . . The other major annual meeting address, that of OWU Director Falck, should give any jittery gas men reassurance regarding wartime controls exercised by the government. Besides paying generous tribute for unstinting war cooperation, the director makes it plain that restrictions will be lifted at the earliest possible date, and a news item concerning OWU reorganization backs up his unqualified statement. . . . Sadly we announce another unique but unfortunate coincidence in honoring an incoming President of the Association while at the same time reporting a major disaster to his company. To President Robinson, his men and all who suffered goes our heartfelt sympathy. In this instance, the price of progress was all but too steep.*

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J French Robinson of Cleveland who was elected president of the American Gas Association at its twenty-sixth annual meeting.

American Gas Association MONTHLY

JAMES M. BEALL, *Editor*

FUTURE OF GAS

. . Epoch-Making Plan for Research and Promotion

By ERNEST R. ACKER

Chairman, Committee on Gas Industry Promotional Development
President, American Gas Association

THE gas industry is about to embark on one of the most momentous undertakings in its history. It has recognized the need for aggressive action to improve the economics of its business and to meet the competition of other fuels in the postwar period, and will shortly launch a campaign to raise an additional amount of $1,000,000 per year for three years to finance an expanded program of research, national advertising and general promotional effort.

This program is a direct result of the able and constructive work of the Postwar Planning Committee of the Association, and is designed to carry out those recommendations of the committee which require the combined action of the entire industry rather than individual company action. The reports of the committee are based on sound analyses of markets, the means of securing such markets, and the engineering and economic factors affecting the present and future operations of the industry. The conclusions represent the thinking of the most highly qualified men available in the industry in their particular fields and have been checked and accepted by a large number of the industry's most able executives. The plan which I propose to outline today will implement the recommendations of the Postwar Planning Committee as to research, national advertising and general promotional effort.

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Aside from the abnormal record of the war period, the trend of earnings of a large section of the gas industry in recent years has been unimpressive, to say the least. Rising costs of labor and materials and the rapid advances of competing services have had a marked effect upon the ability of the industry to maintain and develop its business, and it is clearly indicated that this situation will be accentuated in the period after the war.

The fact is that the economic advantage which the gas industry has heretofore enjoyed over other modern fuel services has shown a downward trend for some years past. It is probable that this trend will be accelerated during the postwar period, particularly with respect to electric competition, unless the gas industry is prepared to meet the challenge of electric capacity released from war production requirements and seeking an outlet in the domestic field. The aggressive advertising and promotional efforts of the electric industry, which have far outweighed those of the gas industry and will be intensified after the war, have already had a material effect upon customer preference and the relative position of gas vs. electricity as the modern fuel.

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The record of the past decade shows that the average domestic electric "use" has increased approximately 70%, whereas domestic gas "use," including space heating, in the manufactured gas industry shows no gain, and in the natural gas industry only about 14%. Current information indicates that the electric industry's postwar planners contemplate an increase of 50% in their domestic business by 1950, and it should be evident that this can only be accomplished by inroads on the gas industry. I realize that the figures of past growth are not entirely comparable as between the two industries but I submit that they nevertheless indicate clearly the reason for the narrowing differential between the competitive costs of gas and electric services.

The remarkable growth of the electric industry has been accomplished through extensive and unremitting research, the continuous development of new and improved appliances and the intensive advertising and promotion of the "electric way" as the modern way of living. In competitive fields the efforts of the electric industry have been effective in spite of the natural advantages and superiority of gas for domestic services, indicating that to date the gas industry has been outadvertised and outpromoted by its electric competitor. The industry is already on notice that the large

Address before American Gas Association's Annual Meeting, New York, N. Y., October 5, 1944.

electric manufacturers intend to further intensify their promotion of electric range sales in the postwar period. The gas industry will be faced, therefore, with the keenest competition in its history and must in its own self-interest find the means not only to develop new markets but to hold the business which it now serves.

The position of the gas industry in the financial world is a direct reflection of its mixed record since the last war. The negative attitude of financial interests, particularly with respect to manufactured gas company securities, is clearly illustrated in Moody's Bond Survey of August 21, 1944 which comments at some length on the past record and future prospects of that session of the industry. Moody's judgment as to "Investments in the Manufactured Gas Industry" is expressed as follows:

"Long term prospects for the manufactured gas industry, in our opinion, are unimpressive, and generally speaking we recommend against commitments in bonds of companies thus engaged. Immediately, and for some further time, there is no cause for concern but a conservative policy is suggested because (1) there is the likelihood of gradual further deterioration over a period, (2) purchases must be made at high prices in the present market and (3) funds can be placed to better advantage at only small concessions in yield in more strongly situated obligations of other utility enterprises, notably the bonds of electric operating companies, the outlook for which is for further improvement in their underlying security in the postwar era."

This is a matter of grave concern to the manufactured gas industry, particularly in its effect on the thinking of large investors throughout the country who have already in numerous instances required a higher yield from gas company securities than from those of other utilities. The Moody article further indicates that the fifteen-year record is unimpressive, stressing loss of earning power during the depression period 1930-1934 and stability rather than gains between 1935 and 1940.

Ernest R. Acker

Under the heading, "Basic Reasons for Poor Showing," the following statement is made, "The loss in earning power between 1930 and 1933 was undoubtedly due largely to the business depression. The inability to show recovery in succeeding years is attributed to the fact that the industry did not develop new uses for its product nor stimulate wider usage by existing customers, particularly domestic. Competition with electric companies, more efficient gas consuming appliances, changes in living and eating habits and a reduction in the rate of population growth in urban centers (which is the primary market) combined to produce unfavorable effects in the important domestic division."

After noting that the war experience of the industry has been better than anticipated with "fairly vigorous recovery" in the last two years and good control over expenses, the article states that the outlook for the future is unimpressive for, while the industry is facing no serious problems with respect to reconversion and is prepared to function in a reasonably satisfactory manner for years to come, the process of deterioration which became evident in the last decade may again be resumed, because the basic factors responsible for that experience are likely to become operative once again under peacetime conditions.

This article is typical of Moody's reaction to gas company securities for some years past and could probably be discounted to a considerable degree if it were not for the fact that a number of gas company executives have been met with similar reactions from other financial interests. I recently had the experience first hand in an interview with an official of one of our largest insurance companies who stated that his company was definitely bearish on the future of the manufactured gas industry because of the lack of research and promotional effort to offset the growing competition of other fuels. He called particular attention to the fact that the industry had not yet solved the problem of serving the full househeating load at a profit and stated

SPEAKERS AT ANNUAL MEETING URGING SUPPORT FOR THE RESEARCH AND PROMOTIONAL PLAN

Earl H. Eacker

Dean H. Mitchell

Frank H. Lerch, Jr.

that in his opinion this was essential to the future protection of existing domestic business. He expressed the strong feeling that large investors have generally lost faith in the future of the manufactured gas industry, because of the lack of aggressive effort on the part of the industry itself to preserve and broaden its markets and, through adequate research, to improve its product and safeguard the future of its business.

The position of the gas industry is no different than that in which other major industries have found themselves as a result of economic change or too great reliance on price advantage. In every instance the solution has lain in improvement of the product and aggressive promotion of the business. These things have been accomplished in numerous instances through increased expenditures for research, effective advertising and intelligent promotional effort based on a thorough knowledge of what the public wants and will buy. Organized efforts along these lines, greatly exceeding those which the gas industry has financed in the past, are essential to the future of the industry.

"A Plan for Research and Promotional Development in the Gas Industry" has been distributed calling for additional funds of $1,000,000 per year for a three-year period, beginning October 1, 1944, to provide for an expanded program of research, national advertising and publicity and general promotional effort. Such funds would be in addition to those provided by the industry for the support of present industry activities and would be used and administered as indicated in the following summary of the plan:

For Research

Utilization Research in connection with domestic, industrial and commercial appliances.	$200,000	
General Technical Research including research on gas production, transmission and distribution. (It is proposed that of this amount $350,000 be assigned to gas production research, of which $270,000 will be provided by manufactured gas companies and $80,000 by natural gas companies)	400,000	
		$ 600,000

Appropriations for all research purposes during the past fiscal year of the A. G. A. amounted to $189,000 and could be financed from the general funds of the Association only because of the curtailment of other activities of the Association as a result of the war.

For National Advertising

To provide for the use of better media, four-color advertisements, an increased number of insertions, advertising surveys and increased publicity on gas service and appliances. The amount allocated is in addition to the amount of approximately $400,000/yr. now being contributed by the industry to the National Advertising Program and will be supplemented by proposed contributions from gas appliance manufacturers of at least $200,000 per year, making a total program of $800,000 per year. The additional amount provided under this Plan will be available for increased domestic, industrial and commercial gas service and appliance advertising. $ 200,000

For General Sales Promotion and Coordination

Promotional Bureau

It is proposed to organize at A. G. A. Headquarters a Promotional Bureau staffed with highly qualified personnel to augment and coordinate the promotional work of the Association with gas utility companies, gas appliance manufacturers and manufacturers of related appliances and equipment, and to act in an advisory capacity to the Sections and Committees of the Association in the development of aggressive, coordinated promotional plans for advertising publicity and sales programs. Estimated cost for salaries, traveling and miscellaneous expenses. $100,000

Sales Promotional Programs

Development and execution of industry-wide sales promotional programs coordinated with those of gas utility companies, gas appliance manufacturers and manufacturers of related appliance and equipment. Among the programs proposed are the promotion of Certified Performance Appliances, the Coordinated Kitchen, training of sales personnel, market research and surveys, and the general acceptance and distribution of gas appliances.	100,000	
		$ 200,000
Total Additional Funds Required Annually for Three-Year Period		$1,000,000

MORE SUPPORTERS OF THE NATIONAL GAS INDUSTRY RESEARCH AND PROMOTIONAL PLAN

R. L. Pattinson

John B. Klumpp

Major T. J. Strickler

It is proposed that the required additional amount of $1,000,000 per year for the three-year period beginning October 1, 1944 be provided by voluntary subscription to the fund at the rate of .15 of 1% of the gross revenue of natural gas utility companies and at the rate of .32 of 1% of the gross revenue of manufactured gas companies, and at the rate of 1/30 of 1% of the gross revenue of natural gas pipe line companies. A ceiling of $80,000 will apply to the annual contribution of any single operating company. Mixed gas companies, whose production operations include reforming of natural gas only, are regarded as natural gas companies; other mixed gas companies as manufactured gas companies.

Based on the revenues of natural, manufactured and mixed gas companies for 1941, the last prewar year, the proposed subscription rates will provide a fund of $1,400,000 per year if companies representing 70% of the total gas meters in the country participate in the program.

Companies now subscribing directly to the National Advertising Program, which totals approximately $400,000 per year, will be entitled to credit the amount of such annual subscriptions against their annual subscriptions to the new research and promotional fund.

Subscriptions in each of the three years will be based on revenues for the previous calendar year and on commitments for the full three-year period.

The funds provided under this plan will be earmarked for the purposes stated and will be allocated to specific projects by the Special Committee authorized by the Executive Board.

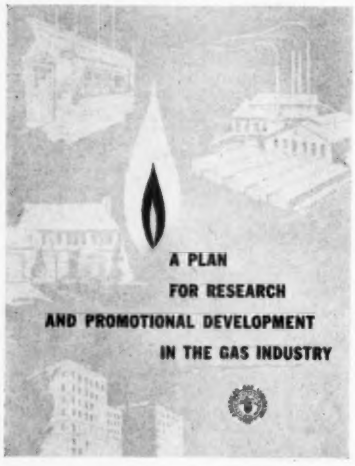
Responsibility for the expenditure of funds so allocated will rest with the Department, Bureau, Section or Committee to which the activity is assigned, under the general supervision of the Executive Board.

Represents Combined Industry

This, in brief, is the plan prepared by the Committee on Gas Industry Promotional Development and approved by the Executive Board of the Association for submission to the gas industry. The details of the plan represent the combined opinion of a large number of industry executives as to what is best for the industry as a whole irrespective of the interests of individual companies or groups. There were wide differences of opinion within the committee as to the relative importance of expenditures for research and for promotional effort, but these differences have been reconciled to the extent that it is possible in one overall plan and the plan has the enthusiastic support of a large majority of the committee.

The Executive Board in approving the plan, authorized the appointment of a Special Committee of not more than 12 gas industry executives to raise and administer the funds to be provided under the plan. Such committee, which is now in process of formation, will shortly submit the plan to all members of the industry and will arrange through regional committee activity for personal solicitation and follow-up of each individual company.

It is not my purpose today to repeat the detailed argument and discussion contained in the text of the plan. I feel that the plan speaks for itself and taken with the findings and recommendations of the Postwar Planning Committee clearly defines the position of the industry today and its needs in the highly competitive period ahead. I would like, however, to discuss certain features which have already been the subject of wide debate.



Cover design of booklet giving complete details of the gas industry's new national program. Copies of the booklet were distributed to all gas companies

The plan provides a gross fund of $1,400,000 per year for a three-year period but a net additional fund of $1,000,000 per year after credits have been taken for $400,000 now being contributed to the National Advertising Program. This $1,000,000 is allocated, $600,000 for research and $400,000 for promotional activities. There are those in the industry who feel strongly that the research funds alone should be raised to $1,000,000 per year, while others feel equally strongly that that amount and more should be expended for additional promotional effort. The committee in the end struck a balance which it felt would gain the majority support of the industry and which resulted in a total amount which the industry could be reasonably expected to contribute at the present time.

The $600,000 for research provides $200,000 for utilization research on domestic, industrial and commercial appliances, and $400,000 for technical research. The utilization research has gained wide support as a result of the excellent work already done at the A. G. A. Laboratories and because of the fact that specific research projects can be readily defined and scheduled in this field.

Technical Research

The $400,000 for technical research includes $50,000 for distribution and transmission projects, which can also be readily outlined in advance, and $350,000 for gas production research which is practically a new field of association activity. This element of the program represents the thinking of manufactured gas company representatives who feel that the industry cannot hope to develop or even hold its business unless it can find the means to produce low cost on-peak gas for house heating in the immediate future and can ultimately develop an over-all low cost production process in substitution for existing production methods.

I believe that the need for such developments is recognized by the entire industry. There is some lack of agreement, however, as to when and how such research should be undertaken, the argument being advanced that the industry should not be asked to supply funds for production research until a specific program of projects has been developed indicating more clearly how the money is to be spent. Equally strong argument has been presented to the effect that production research cannot be specifically defined or limited in advance and that the needs of the industry are so compelling that sufficient funds should be made available to initiate and carry through a substantial program of research in the whole field of gas production.

This issue was debated at length by the committee responsible for the preparation of the plan, the committee finally taking the position that the ob-

Committee To Administer Fund

A SPECIAL committee of twelve gas industry executives has been appointed upon authorization of the A. G. A. Executive Board to raise and administer the funds involved in the Plan for Research and Promotional Development of the Gas Industry. The following have been selected for this important responsibility:

N. B. Bertolette	Hartford, Conn.	Paul B. McKee	Portland, Ore.
P. S. Young	Newark, N. J.	W. B. Collins	Miami Beach, Fla.
C. E. Bennett	Pittsburgh, Pa.	C. H. Zachry	Dallas, Tex.
Bruno Rahn	Milwaukee, Wis.	Robert W. Hendee	Colorado Springs, Colo.
H. K. Wrench	Minneapolis, Minn.		
J. V. Bowes	Tulsa, Okla.	E. R. Acker, Chairman	Poughkeepsie, N. Y.
F. S. Wade	Los Angeles, Calif.		

The president, the chairmen of the Natural Gas and Manufactured Gas Departments and the chairman of the Finance and Control Committee of the Association will service as *ex-officio* members of the committee.

jectives of the proposed research are clear, that there are developments already under way which merit immediate additional research expenditures and that the industry can properly depend upon highly competent technical committees to give assurance that the research funds proposed to be collected now for future use will be constructively and wisely spent. It is obvious that the funds for production research will not be expended at the rate of $350,000 per year for a three-year period. It is intended that they be collected on this basis to create a total fund of $1,050,000 which will be available for use over whatever period is necessary for the completion of a sound and effective program.

It is entirely possible that additional funds will be required as the program is advanced but the committee feels that such funds will be readily obtainable on the basis of the potential value of such new developments as result from the research undertaken. The initial funds cannot be specifically justified on an individual project basis but must be made available by the industry with faith in its own future and with the full expectation that adequate research expenditures will ultimately produce the results desired.

The promotional features of the plan involve estimated expenditures of $400,000 per year for the three-year period, $200,000 for additional National Advertising and $200,000 for qualified promotional personnel and for sales promotional programs. The chairman of the Postwar Planning Committee has continuously stressed the need for determined effort on the part of the industry to combat the fashion now being fixed in the minds of the American public for the "electric way" as the modern way of living. Irrespective of the merits of the case for electricity the constant repetition of the electric story in advertising, radio and all forms of promotional programs cannot help but have a telling effect on the thinking of the average home owner.

These programs are promoted to a large extent on a national scale by the large electric manufacturers who, in fact, do the bulk of the research and promotional work of the electric industry. It is apparent that the manufacturers of the gas industry cannot hope to match the efforts of the electric manufacturers in these fields. It is a known fact that the competitive situation among the large number of comparatively small manufacturers in the gas appliance field does not permit the pricing of appliances to include such research and promotional costs as can be included in the cost of electric appliances. For this reason the gas industry must, for its own protection, absorb a portion of the cost of keeping the story of gas service before the public in national media.

The Postwar Planning Committee states that the industry can now unite aggressively in support of the "clean, cool, odorless kitchen," which will excel in cooking, as well as in cleanliness and cost, that provided by all other fuels. The gas industry will have something worthy of its best promotional efforts in the postwar period and must now prepare for a fight to the finish for the all important domestic load.

The volume of National Advertising of the electric industry is so far beyond even the capabilities of the gas industry that there can be no thought of attempting to compete on a volume basis. The gas industry, however, must have a program of sufficient size and effectiveness to justify its existence on its own merits and to supplement the programs of the gas appliance manufacturers.

More Advertising and Promotion

Present contributions to the National Advertising Program total approximately $400,000 annually. With these limited funds the National Advertising Committee has done an excellent job but it is now estimated that a fully effective program, involving four-color advertisements, the use of better media and an increased number of insertions, would cost a minimum of $800,000 per year. It is proposed that of the additional $400,000 per year required, $200,000 per year be provided by gas utility companies through the operation of this plan and that $200,000 be provided by gas appliance manufacturers as their contribution toward the success of an enlarged National Advertising Program. It is difficult to conceive of a more modest approach to a vital problem than that represented by this $800,000 program of National Advertising financed by the entire gas industry.

The enlarged promotional activities proposed under the plan involve the establishment of a Promotional Bureau at A. G. A. Headquarters, staffed with highly qualified personnel, to initiate, propose to or prepare for Sections and Committees, promotional plans for advertising, publicity and sales programs; to enlarge and coordinate the promotional work of the Association with all branches of the industry and of related industries; to foster and

guide new product development; and to promote market research and surveys.

In addition, the plan provides additional funds for sales promotional efforts in the postwar period including resumption of the CP range program; the development of similar promotional programs for gas water heating and househeating equipment; the promotion of the "Coordinated Gas Kitchen Equipment Program" already initiated by authority of the Executive Board; the development of salesmen's selection and training programs and the promotion of the general acceptance and distribution of gas appliances.

This completes the high spot summary of the "Plan for Research and Promotional Development in the Gas Industry." The details of the plan are fully covered in the presentation distributed to the industry which I commend to you for your careful consideration and favorable action. Before concluding my discussion, however, I would like to call your attention to one important collateral element of the plan.

A. G. A. Activities Curtailed

The activities of the American Gas Association have been materially curtailed during the past several years because of war conditions. Such curtailment has made possible the financing of a greatly expanded program of Domestic Gas Research from the general funds of the Association, so that in the past fiscal year appropriations for all research totalled $189,000 as compared with an average of $74,000 for the nine-year period 1934 through 1942. The highly competitive conditions expected in the postwar period will require the restoration and strengthening of normal Association activities particularly in view of the industry program now proposed. It is obvious that the enlarged program of Domestic Gas Research which must be vigorously pursued in preparation for the immediate future cannot be financed continuously from the Association's general funds.

The financial position of the Association for the coming fiscal year clearly indicates the need for separate financing of our increased research and pro-

(Continued on page 482)

The President-Elect Accepts Office

J French Robinson

DOING away with a convention this year is not without its bright side—at least it is conservation of speech-making. Nevertheless, I do wish to express my appreciation of the honor shown me. We will let formality make way for sincerity.

In all seriousness, the gas industry never faced a more critical period than the one we are in. I think it is safe to say that our industry never faced as critical a situation as it does now. We are in a war and must do the best we possibly can toward its prosecution. We have done so up until now, and that we will continue to do so goes without saying.

We do not boast about it, because we are merely doing our duty as are all American industries, but our contribution to the war effort bears directly on another and equally pressing problem of the American Gas Industry, namely, getting out of the war and getting our hats back.

In other words, wartime imposed upon us the necessity of an all-out conversion to war. We did that willingly. It is inevitable that there be an end of the war. It is equally important that the wartime economy of the Nation also come to a stop at that point.

Equally with our responsibility in prosecuting the war, it is our business from now on to see that we are discharged back into civil life as America knows life, and that we retain none of the regimentation to which we consented solely as a military measure. I think there must be agreement, decision, and action on our part to that end. It is part of our business that we do so. We all agree to rational regulation as it has always been understood. We do object, however, to even a semi-militaristic status in peacetime.

Nothing could be more certain than that we are all in agreement along these lines, and with this understanding we can assure ourselves that we will all work together with a common interest—a common American interest, of course.

I say with sincerity that I appreciate the compliment that has been paid me, and fully recognize my responsibility.

Officers of the Association photographed just before the Annual Meeting got under way. Left to right: E. J. Boothby, first vice-president-elect; Arthur F. Bridge, past president; Ernest R. Acker, retiring president, and John W. West Jr., assistant managing director

R. E. Wertz, Amarillo, past chairman, Natural Gas Section, and H. D. Hancock, New York, chairman, Technical and Research Committee

J. L. Llewellyn, retiring treasurer (left) and Edward F. Barrett, newly-elected treasurer of the American Gas Association

The chairman of the Association's Finance and Control Committee, R. B. Brown, greets incoming President, J French Robinson

Twenty-Sixth Annual Meeting

IN the shortest Annual Meeting in its twenty-six-year history, the American Gas Association met for two hours Thursday, October 5, at the Engineering Societies Building, New York City, to transact necessary business, principally to elect a new slate of officers for the coming year. Several hundred members took part in the meeting which served as a poignant reminder of the exigencies of war and the willingness of the gas industry's leaders to sacrifice their traditional annual convention to further the national cause.

Star role in the abbreviated proceedings was taken by Ernest R. Acker, president of the Association and chairman of the Committee on Gas Industry Promotional Development who presided and spoke in both of his official capacities. As president, he reviewed briefly the highlights of an eventful year; as chairman, he presented the far-reaching research and promotional plan described elsewhere in this issue.

Representing the War Production Board, Edward Falck, director of the Office of War Utilities, brought the gathering a reassuring and informative message. His address appears in full in this issue.

J. L. Llewellyn, retiring treasurer, reported that the Association's finances are in sound condition. Edward G. Boyer, of Philadelphia, presented the report of the General Nominating Committee. R. E. Wertz, of Amarillo, announced the members of the Managing Committee elected by the Natural Gas Department. Members of the Managing Committee selected by the Manufactured Gas Department were named by George S. Hawley, of Bridgeport. Results of these elections are reported in this issue.

Completing the order of business, President Acker presented the A. G. A. Meritorious Service Medal to R. E. Fisher to be delivered to the winner, Michael Keane (see story on page 444).

R. H. Hargrove, vice-president-elect of the Association, accepting his new office. Mr. Hargrove is vice-president and general manager of the United Pipe Line Co., Shreveport, La.

Left to right: Frank H. Lerch, Jr., president, Consolidated Natural Gas Co., New York; Edward M. Borger, president, The Peoples Natural Gas Co., Pittsburgh; R. E. Fisher, vice-president, Pacific Gas & Electric Co., San Francisco; Edward G. Boyer, manager, Gas Department, Philadelphia Electric Co.; Alan H. Harris, Jr., president, Canadian Gas Association; R. G. Griswold, president, Electric Advisers, Inc., New York, and A. H. Stack, president, Tampa Gas Co., Tampa, Fla.

Who's Who... *Among New Association Officers*

PRESIDENT

J French Robinson

J French Robinson

J FRENCH ROBINSON, president of The East Ohio Gas Company, Cleveland, Ohio, was chairman of the Natural Gas Section, American Gas Association, in 1941-1942. He is a member of the Petroleum Industry War Council and general chairman of the Natural Gas and Natural Gasoline Committees under the Petroleum Administration for War. He is also chairman of the Natural Gas and Natural Gasoline Committee of PAW District No. 1.

Born at Elizabeth, West Virginia, on December 13, 1890, Mr. Robinson was graduated in 1915 from West Virginia University with a B.S.C.E. degree. In 1918, he received a M.S. Engineering degree from the same university and, in 1929, received the Doctor of Science degree from the University of Pittsburgh.

Notable Utility Career

From the time of his graduation until 1918, he was employed as assistant geologist for the Baltimore & Ohio Railroad Company making investigations of oil, coal and mineral resources. He was appointed engineer for the Ford-Run Franklin Coal & Coke Corp. in 1918 and a year later became geologist for the Seneca Hill Oil Company. In 1920 he was named assistant state geologist of Pennsylvania.

Mr. Robinson served the natural gas industry from 1921 to 1933 as geologist and engineer for The Peoples Natural Gas Company, The Columbia Natural Gas Company, the Hope Natural Gas Company, all affiliated with the Standard Oil Company (New Jersey). From 1930 to 1935, he was manager of the New York State Natural Gas Corporation and the Keuka Construction Corp., and from 1933 to 1935 was vice-president of The Peoples Natural Gas Company, and The Columbia Natural Gas Company, of Pittsburgh.

Mr. Robinson became president of The Peoples Natural Gas Company and The Columbia Natural Gas Company in 1936. He was also president of the New York State Natural Gas Corp., Keuka Construction Corp., Reserve Gas Co., and the Lycoming United Gas Company. He was elected president of The East Ohio Gas Company, Cleveland, on November 15, 1940 and has been a director of Consolidated Natural Gas Company since November 1, 1943.

He is a past president of the Pennsylvania Natural Gas Men's Association and a member of the American Gas Association, American Institute of Petroleum Geologists, American Mining Congress and American Institute of Mining and Metallurgical Engineers.

FIRST VICE-PRESIDENT

Everett J. Boothby

E. J. Boothby

EVERETT J. BOOTHBY is vice-president and general manager of the Washington Gas Light Company, Washington, D. C.

A native of Somerville, Mass., and a graduate of Tufts College in 1915, Mr. Boothby applied his chemical engineering training for seven years, first with the New England Manufacturing Co. and then with the Atlantic Dyestuff Company. In 1922, he became associated with New England gas companies under the management of Stone & Webster, being appointed superintendent of manufacture, Fall River Gas Works Co., manager, Lowell Gas Light Co., and, later, to the staff of Stone and Webster Engineering Corporation.

Following a brief absence from the utility field in 1931, when he became vice-president of the Troy Laundry Machinery Co., East Moline, Ill., he became vice-president of the Washington Gas Light Co. and subsidiary companies, 1932.

In the nation's capital, Mr. Boothby has assumed a position of business leadership, being vice-president of the Merchants and Manufacturers Association, a member of the Board of Governors of the Washington Building Congress and a trustee of the Better Business Bureau. as well as a member of the Kiwanis Club.

He is a member of the A. G. A. Committee on Postwar Planning, chairman of the Committee on Domestic Gas Research and a member of the Society of Gas Lighting.

SECOND VICE-PRESIDENT

Reginald H. Hargrove

R. H. Hargrove

REGINALD H. HARGROVE has been vice-president and general manager of United Gas Pipe Line Company, Union Producing Company and United Oil Pipe Line Company for the past seven years, and recently was elected vice-president of United Gas Corporation.

Mr. Hargrove was born October 6, 1897, at Marshall, Texas. He is married and has three sons, all of whom are in military service.

Following his graduation from high school in Shreveport, Mr. Hargrove attended Rice Institute in Houston, studying engineering. In May, 1917, he entered the first officers' training camp at Fort Logan H. Root, Arkansas, and was commissioned a second lieutenant in the Coast Artillery Corps in August, 1917. Of his two years' service with the Army, five months were spent in France.

On his return to Shreveport, Mr. Hargrove was made general manager of the Caddo Abstract Company of that city, and remained there until January, 1928, when he became associated with the land department of the Palmer Corporation, later a subsidiary of United Gas Corporation. In this connection, he handled matters relating to oil and gas leases and contracts.

In April, 1929, Mr. Hargrove was elected vice-president of Louisiana Gas & Fuel Company and subsidiaries, which included the Palmer Corporation. A little more than a year later, following the organization of United Gas Corporation, he was elected vice-president of all active domestic operating subsidiaries of that company.

In this capacity, Mr. Hargrove's duties were confined to general supervision of all matters relating to the acquisition and development of oil and gas leases and mineral rights. After May, 1931, and until September, 1937, as vice-president of United Gas Public Service Company, chief operating subsidiary of United Gas Corporation and its subsidiaries, he was placed in general charge of all matters relating to the production and transmission of natural gas and the sale thereof, except where distributed and sold through local distribution systems, and of all matters relating to the production and sale of oil. He was elected vice-president and general manager of United Gas Pipe Line Co., Union Producing Co., and United Oil Pipe Line Co., in September, 1937.

Making brass cymbals for Army and Navy bands is a unique use of modern gas furnaces in war production in New England.

TREASURER

Edward F. Barrett

Edward F. Barrett

EDWARD F. BARRETT, president of the Long Island Lighting Company, brings to the Association the benefits of an active career both as a banking and public utility executive.

A native New Yorker, Mr. Barrett, following his schooling, engaged in the real estate business and later served as deputy chamberlain of New York City. In 1918, he entered the banking business with the National City Company of New York and later with the National City Bank. He was a vice-president of the bank when he left to enter the public utility field.

Because of his long financial training and experience, he became affiliated with the Long Island Lighting Company in 1934 as financial vice-president and a director. He also was elected a director of the Queens Borough Gas and Electric Company, Nassau and Suffolk Lighting Company, and Kings County Lighting Company of Brooklyn, three of its affiliates.

In 1937, he was elevated to the presidency of the Long Island Lighting, Queens Borough Gas and Electric and Nassau and Suffolk Lighting Companies.

Although his activities are now primarily in the public utility field, Mr. Barrett continues to be active in banking. He is first vice-president and a trustee of the East River Savings Bank and a director of the Public National Bank and Trust Company, both of New York City. He is also a vice-president and director of the Utilities Mutual Insurance Company.

(To be continued)

Depicts War Role of Window Displays

IN recognition of the big job utility window displays have been doing in support of the war effort, the twenty-sixth anniversary number of the A. G. A. Window and Store Display Bulletin is devoted to such displays. Also featured are congratulatory messages from such government bureaus as the Treasury Department, OPA, WPB, the U. S. Department of Agriculture, and the War Advertising Council.

A red, white and blue cover shows Uncle Sam placing his stamp of approval on a window display with the theme, "Faith in America." The entire issue pays tribute to the wartime support gas companies have given War Bond drives, USO activities, conservation programs, fat salvage, Victory gardens, and other war programs.

George W. Browne, Public Service Electric and Gas Co., Newark, N. J., is chairman of the Display Committee.

New Association Officers and Directors

PRESIDENT J French Robinson, President, The East Ohio Gas Company, Cleveland, Ohio.

FIRST VICE-PRESIDENT E. J. Boothby, Vice-President and General Manager, Washington Gas Light Co., Washington, D. C.

SECOND VICE-PRESIDENT R. H. Hargrove, Vice-President, United Gas Pipe Line Co., Shreveport, La.

TREASURER Edward F. Barrett, President, Long Island Lighting Company, Mineola, N. Y.

DIRECTORS—TWO-YEAR TERMS

R. G. Barnett, Vice-President and General Manager, Portland Gas and Coke Co., Portland, Oregon.

John W. Batten, President, Michigan Consolidated Gas Company, Detroit, Mich.

Arthur F. Bridge, Vice-President, Southern Counties Gas Company, Los Angeles, Calif.

James A. Brown, Vice-President, The Commonwealth & Southern Corp., New York, N. Y.

D. W. Harris, Vice-President and General Manager, Arkansas Natural Gas Corp., Shreveport, La.

Lyle C. Harvey, President, Bryant Heater Co., Cleveland, Ohio.

Norton McKean, President, American Meter Company, Albany, N. Y.

Hudson W. Reed, President, The Philadelphia Gas Works Company, Philadelphia, Pa.

Herman Russell, President, Rochester Gas and Electric Corporation, Rochester, N. Y.

T. J. Strickler, Vice-President and General Manager, Kansas City Gas Co., Kansas City, Mo.

P. S. Young, Chairman, Executive Committee, Public Service Electric and Gas Co., Newark, N. J.

SECTION OFFICERS

ACCOUNTING SECTION *Chairman*—C. E. Packman, Controller, Middle West Service Company, Chicago, Ill.

Vice-Chairman—E. F. Embree, General Auditor, New Haven Gas Light Co., New Haven, Conn.

RESIDENTIAL GAS SECTION *Chairman*—J. H. Warden, General Sales Manager, Oklahoma Natural Gas Corporation, Tulsa, Okla.

Vice-Chairman—I. J. Quinn, General Sales Manager, Boston Consolidated Gas Company, Boston, Mass.

INDUSTRIAL & COMMERCIAL GAS SECTION *Chairman*—Harry K. Wrench, President, Minneapolis Gas Light Co., Minneapolis, Minn.

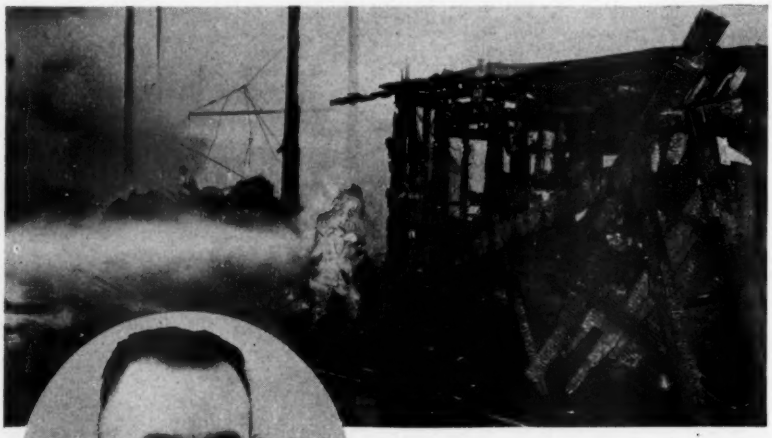
Vice-Chairman—Harry A. Sutton, Asst. Gen. Ind. Fuel Rep., Public Service Electric & Gas Co., Newark, N. J.

MANUFACTURERS' SECTION *Chairman*—Frank J. Hoenigmann, Executive Vice-President, Cribben and Sexton Company, Chicago, Ill.

TECHNICAL SECTION *Chairman*—L.. E. Knowlton, Engineer, Providence Gas Co., Providence, R. I.

Vice-Chairman—Lester J. Eck, Vice-President, Minneapolis Gas Light Co., Minneapolis, Minn.

Michael Keane Awarded Meritorious Service Medal for Heroic Action



Action for which Mr. Keane was cited

Michael Keane

HEROIC action by Michael Keane, a fitter employed in the gas department of the Pacific Gas & Electric Company, San Francisco, was recognized October — at the annual meeting of the American Gas Association. Mr. Keane was awarded the American Gas Association Meritorious Service Medal for having performed the most outstanding meritorious act in the gas industry during the past year. The presentation was made by the Association's president, Ernest R. Acker.

In the absence of Mr. Keane, the award was received in his behalf by R. E. Fisher, vice-president in charge of public relations and sales of the Pacific Gas & Electric Company. The heroic act for which Mr. Keane was awarded the medal is described in the citation as follows:

"On March 23, 1944, Mr. Keane, together with his foreman answered an alarm for a fire in a refinery reclaiming oil under Navy contract located in Oakland, California. The entire plant was a mass of flame. It was unsafe to cut the gas service at the main because of flaming oil over the street. In trying to turn off the gas supply, a fireman broke the valve. Mr. Keane donned an asbestos suit and, with water playing around him, succeeded in closing the valve, thereby putting out gas burning at the base of a drum containing 4,000 gallons of oil. The fire department was then able to control the fire, thus preventing its spread and probable explosion.

"Mr. Keane performed this courageous act in line of duty, undoubtedly saving human lives and property."

The American Gas Association Meritorious Service Medal consists of a gold medal, button and certificate, and is made possible through the generosity of the late Walter R. Addicks, senior vice-president of the Consolidated Gas Company of New York (now Consolidated Edison Company of New York, Inc.)

Departmental Managing Committees Elected

ELECTION of members of the Managing Committees of the Manufactured Gas and Natural Gas Departments of the American Gas Association was announced October 5 at the annual meeting. E. J. Boothby, vice-president of the Washington Gas Light Company, is chairman of the Manufactured Gas Department and R. H. Hargrove, vice-president and general manager, United Gas Pipe Line Co., Shreveport, La., is chairman of the Natural Gas Department. Both are vice-presidents of the Association. Following is a complete list of both committees:

MANUFACTURED GAS DEPARTMENT

E. J. Boothby, Washington Gas Light Company, Washington, D. C., *Chairman.*
R. G. Barnett, Portland Gas & Coke Company, Portland, Ore.
Edward F. Barrett, Long Island Lighting Company, Mineola, Long Island, N. Y.
Alexander M. Beebee, Rochester Gas & Electric Corp., Rochester, N. Y.
Walter S. Byrne, Metropolitan Utilities District, Omaha, Neb.
E. H. Eacker, Boston Consolidated Gas Company, Boston, Mass.
W. Bond Collins, Peoples Water & Gas Company, Miami Beach, Fla.
H. R. Cook, Jr., Consolidated Gas Electric Light & Power Company of Baltimore, Md.
Alfred Hirsh, The Laclede Gas Light Company, St. Louis, Mo.
Thomas L. Kemp, Citizens Gas & Coke Utility, Indianapolis, Ind.
L. E. Knowlton, Providence Gas Company, Providence, R. I.
Harry L. Nickerson, The Brooklyn Union Gas Company, Brooklvn, N. Y.
Bruno Rahn, Milwaukee Gas Light Company, Milwaukee, Wis.
Hudson W. Reed, The Philadelphia Gas Works Company, Philadelphia, Pa.
E. J. Tucker, Consumers Gas Co. of Toronto, Ont.
P. S. Young, Public Service Electric and Gas Company, Newark, N. J.

NATURAL GAS DEPARTMENT

Managing Committee

R. H. Hargrove, United Gas Pipe Line Co., Shreveport, La., *Chairman.*
B. C. Adams, The Gas Service Co., Kansas City, Mo.
C. E. Bennett, The Manufacturers Light & Heat Co., Pittsburgh, Pa.
Joseph Bowes, Oklahoma Natural Gas Co., Tulsa, Okla.
A. F. Bridge, Southern Counties Gas Co., Los Angeles, Calif.
F. C. Brown, Natural Gas Pipeline Co. of America, Chicago, Ill.
E. Buddrus, Panhandle Eastern Pipe Line Co., Chicago, Ill.
D. W. Harris, Arkansas Natural Gas Co., Shreveport, La.
D. P. Hartson, Equitable Gas Co., Pittsburgh, Pa.
D. A. Hulcy, Lone Star Gas Co., Dallas, Texas.
F. H. Lerch (Jr.), Consolidated Natural Gas Co., New York, N. Y.
E. P. Noppel, Ebasco Services Inc., New York, N. Y.
F. T. Parks, Public Service Co. of Colo., Denver, Colo.
C. P. Rather, Southern Natural Gas Co., Birmingham, Ala.
E. L. Rawlins, Union Producing Co., Shreveport, La.
Paul Taylor, Stone & Webster Service Corp., New York, N. Y.
C. H. Zachry, Southern Union Gas Co., Dallas, Texas.

1943 Coke Data

DISTRIBUTION of by-product and beehive coke in the United States in 1943 is analyzed in a statistical report released September 25 by the Bureau of Mines. Data given is classified by principal uses and geographic areas. Prepared by M. M. Otero, J. A. DeCarlo, and J. A. Corgan, this mineral market report, M.M.S. No. 1232 is available from the Bureau of Mines, United States Department of the Interior.

Government Controls... *Demobilization of Wartime Restrictions After Victory*

• In this address, presented before the A. G. A. Annual Meeting in New York, October 5, Mr. Falck pays tribute to the gas industry's war achievements and outlines the War Production Board's plan to demobilize government controls after victory in Europe. In addition, he pictures the immediate outlook for fuels and concludes with a word about the gas industry's future. It contains a heartening and informative message from the government's wartime utility agency.

By EDWARD FALCK

Director, Office of War Utilities, War Production Board, Washington, D. C.

THIS is the third fall meeting of the American Gas Association during this war. Last year and the year before the chief subject of discussion was the winning of the war and the winning of the war should continue to be at the center of our thinking and our first responsibility.

The gas industry has been notably successful in meeting the demands made upon it during the critical period of war production since Pearl Harbor. It has had to cope with tremendously increased demands for gas during a period when the whole nation was being squeezed by shortages in basic materials, fuel, manufacturing facilities and manpower. Total sales of natural gas increased from 1442 billion cubic feet in 1940 to 1984 billion cubic feet in 1943. Sales by manufactured gas companies increased from 388 billion cubic feet in 1940 to 482 billion cubic feet in 1943.

In order to be in a position to take care of these increased requirements the gas industry had to greatly expand its physical plant. This expansion may be measured roughly in terms of carbon steel. The gas industry used 211,000 tons of carbon steel in 1943 and will use 370,000 tons in 1944. Even with this large construction program and the highest rate of operations in the history of the industry, the gas utilities have been able to carry on with substantially fewer employees. The number of employees in the entire industry declined from 138,000 in 1940 to 122,000 in 1943. Moreover, there have been numerous difficult problems confronting the industry in the procurement of materials and equipment necessary for the continued operation of plant facilities. Both the top executives and the operating men in this industry are to be complimented for their performance in maintaining maximum output during these difficult years.

The future is always a good deal more interesting than the past, but at the same time a good deal more difficult to speak about with any certainty. I have been speculating on what your reaction would have been if five years ago a speaker had addressed you here and given you a faithful forecast of things to come. If a speaker with the gift of prophecy had addressed you in October, 1939, he would have given you this alarming prediction.

"Five years from now the gas industry will be completely controlled by the Federal Government. The government will establish orders governing maintenance and repair, inventories and construction. Any time your management decides to go ahead with a project it will have to present a complete and detailed explanation to Washington and secure individual approval. You will not be able to purchase any steel or copper without a government permit. If you should be fortunate enough to secure approval of the construction of a natural gas pipeline, the government will control the allocation of gas transmitted through the pipeline to various utilities within your own system or any other system. You will not be allowed to attach new space heating consumers. Deliveries of gas to new large industrial users will be subject to advance approval by the government. The government will tell you how many men you may employ and what stocks of coal and fuel oil you may maintain. In addition, the government will have

Government men at the A. G. A. Annual Meeting. Left to right: Alexander Macomber, director, newly-organized OWU Gas Division; Edward Falck, OWU director, and Paul R. Taylor, who has just resigned as director of OWU Natural Gas Division to return to the utility industry

orders covering all the miscellaneous equipment which you may need for operating purposes varying from metal furniture and fixtures to track-laying tractors, from office machinery and typewriters to laboratory equipment and instruments."

I am sure that after listening to such a gloomy prophet you would have thrown him out of your meeting or at least assigned him to institutional care. At any rate the prophecy would have seemed incredible to you and for this reason, if for no other, I shall not undertake to prophesy the situation five years hence.

Industry-Government War Relations

I should like to make some observations based upon the experience that we have had during the war in relations between industry and government. In spite of the magnitude and complexity of the problem, industry and government have made a real success of the production job. This success was not an overnight achievement, but grew out of a continued exchange of information and ideas, and a long, steady improvement in mutual understanding.

In 1941 the first primitive preference rating system was developed. The gas industry, along with the electric and water industry, helped in the preparation of one of the early maintenance and repair orders, P-46, which is now known as Utilities Order U-1. Under this order the industry was permitted to use a relatively high preference rating to secure materials for maintenance, repair, operating supplies and small capital additions. At the same time, the industry was asked to put into effect a close control over inventories. The success of this inventry control is indicated by the fact that inventories for the gas industry, excluding fuel, were brought down from $34,000,000 in 1942 to $25,000,000 in 1944, a reduction of 26%. While many difficulties attended procurement and construction during the formative period of control, the industry soon learned how to operate effectively within the war economy and the government learned to simplify its orders and to speed up its administrative work.

During the winter of 1941-1942, attention was given to the problem of conserving the use of gas. The military services feared that war production might be interrupted by curtailment in deliveries of gas to vital war producers. I remember vividly our first modest attempt to reach the public by radio. There were hurried conferences in Philadelphia and Chicago. Time did not permit consulting all interested members of the industry before the first broadcast was made calling upon consumers to reduce their use of gas to a minimum. By the following winter great strides had been made in government-industry cooperation, and a fully developed conservation campaign was prepared and executed.

Early in the spring of 1942 the first gas conservation order was issued. This Limitation Order, L-31, now Utilities Order U-7, was practically nation-wide in its scope and provided for the coordinated operation of natural gas facilities, the sequence of curtailment to different classes of consumers during shortage periods, and restrictions on serving new space heating loads. This order was necessary to assure continued deliveries of gas to meet war loads and essential civilian requirements. The control and rationing of service was formulated jointly in discussion between the War Production Board and the gas industry. The order was put into effect with the full cooperation of industry and the general public.

High Public Acceptance

Considering the abridgment of contractual rights, the unavoidable discriminations, and the interference with normal commercial practices, the acceptance by the public of these regulations has been most unusual. The gas utilities and their consumers have complied with the letter and spirit of these regulations. Violations have been extremely few in number and infinitesimal in per cent. A similar order, L-174, applying to manufactured gas utilities, was issued in the summer of 1942.

There were, of course, many minor disagreements as to the details of these regulations and the precise time when they were to be put into effect. The prohibition against space heating was the cause of grave misgivings in certain quarters. However, I am certain that the industry will suffer no long-term injury because of this particular prohibition. As a matter of fact, the public demand for gas space heating equipment has never been greater than it is today.

While the creation of a postwar market demand for space heating was not one of the purposes of U-7 and L-174, I am sure that these orders have had that effect. To give you some idea of the prospects for future business, you might be interested to know that during the month of September, 1944, the Office of War Utilities received an average of 580 appeals per week from the restrictions of U-7 and 350 appeals per week from the restrictions of L-174. The volume of these appeals is not diminishing.

While these orders would not have been successful without the support of the public, I believe that the underlying principles of administration have contributed immeasurably to the result.

Decentralized Administration

First, the Office of War Utilities has sought to establish a centralized policy with completely decentralized administration. This principle is illustrated in Orders U-7 and L-174 which set forth the general policy, but leave the administration to the operating companies.

A second principle which we have followed is to depend on voluntary cooperation as much as possible and to use mandatory directives only after voluntary measures have failed. This principle was used in carrying out the conservation program during the winters of 1942 and 1943. Numerous alternative plans looking toward complete control of dispatching by gas companies, monthly quotas applying to each individual consumer, and mandatory conversion of residence and commercial heating equipment were rejected.

A third principle that has governed our work has been that all regulations should be limited in their character, extent and duration to the clear purposes of the War Production Board. It would certainly have been ruinous to this operation if we had sought to exercise our authority beyond the limits of public necessity.

The chairman of the War Production Board has just announced the completion of a plan for demobilization of controls following victory in

Europe. Under this plan the great bulk of production, conservation and limitation orders will be revoked on V-E Day. The present elaborate Controlled Materials Plan and preference rating system will be eliminated as soon after V-E Day as practicable. There will be established a single extendable military rating to be called "MM." This rating will be used principally for direct military production. The AAA preference rating will be retained to break production bottlenecks.

The War Production Board will retain an effective organization with sufficient personnel and authority to make certain that the war production program continues on an all-out basis until Japan is defeated. The War Production Board organization will be available for spot trouble shooting, but such trouble shooting will not be done on an indiscriminate basis. The War Production Board will intervene only on a showing of serious interference with war production or highly essential civilian activities. Positive action will, of course, be taken if serious shortages are foreseen which would endanger the war effort, life, public health or safety.

Demobilization of Controls After V-E Day

In line with the general policy of the War Production Board, the Office of War Utilities plans to take the following specific actions with respect to the gas industry:

(1) Utilities Order U-1 will be revoked. Gas utilities will be permitted, without restriction of any kind, to engage in rehabilitation of their systems and construction of new plant and facilities. There will no longer be any necessity for gas companies to file applications on Form WPB-2774 before going ahead with new construction. The Housing Utilities Standards will be abolished.

(2) Limitation Order L-174 and Utilities Order U-7 will be repealed. There will be no further restrictions on service to new space heating installations, new industrial consumers, or on service to new areas. Deliveries of gas from one utility to another will be uncontrolled. However, natural gas companies will be urged to continue to sell and exchange gas with each other in such a manner as to make the maximum amount of service available in any area where a shortage may exist or impend.

(3) The Office of War Utilities will use its priorities' powers during the subsequent period solely for the purpose of protecting military requirements, supporting war industry and clearly essential civilian activities. The Office of War Utilities' staff will be greatly reduced but a nucleus organization will be maintained for trouble shooting. Should any real difficulties confront the gas industry which would threaten war production or highly essential civilian activities, the Office of War Utilities' staff will be available with all necessary authority to take remedial action. In short, no restrictions will be continued that would hamper normal construction and operation, but an emergency squad will be retained.

The Outlook for Fuel

It would be inappropriate to discuss the wartime problems of the gas industry without some reference to the general fuel situation. Coal and oil are raw materials for the manufactured gas industry and are used in the operation of industrial and utility

Cleveland Accident

THE following statement, summarizing known facts about the Cleveland disaster, was released October 23 by The East Ohio Gas Company:

"At 2:30 P.M., Friday, October 20, 1944, as closely as timing is possible, for reasons not now known, the largest of four containers in which The East Ohio Gas Company had stored liquefied natural gas for use against possible peak demands next winter gave way.

"The wreckage of this container which, in its turn, damaged the container next to it, released large quantities of liquefied gas which, upon exposure to the air, re-gasified and ignited from unknown sources. The burning gas was carried by the wind principally eastward, destroying practically every building of the company on its premises. In addition, some 200 dwelling houses and buildings in the neighborhood were destroyed or rendered uninhabitable.

"Other families were temporarily homeless, due to the evacuation of dwellings in the district as a measure of precaution against further spread of the fire. These families have moved back to their homes.

"The loss of life is now estimated at 170, including 70 company employees. Many of the latter were key men in the operation of the Cleveland distribution system; the others are people in the neighborhood who were unable to escape from the burning gas. Identification of the dead is in many cases impossible, which accounts for a continuing uncertainty as to the exact number who were killed, both of employees of the company and residents of the neighborhood.

(Editor's Note—Among those listed as missing is Charles F. Turner, Chief Chemist of The East Ohio Gas Company, one of the most respected and best-loved engineers in the gas industry. Mr. Turner was 1943-1944 chairman of the A. G. A. Technical Section and presided at the October 4 meeting of the Section's Managing Committee.)

"The plant site covers an area of 14 acres upon which the operating plant of the Cleveland distribution system, consisting of some nine buildings, in addition to the liquefaction plant, was located.

"The East Ohio's liquefaction plant was the only one of its kind in the world, as far as is known. It had been in successful operation for four years, and consisted of four containers holding altogether, in liquid form, the equivalent of 240,000,000 cubic feet of natural gas, of which three holders represented capacities of 50,000,000 cubic feet each and one container 90,000,000 cubic feet."

A. G. A. Laboratories Damaged

That part of the American Gas Association Testing Laboratories' building nearest the East Ohio plant suffered severe damage. Eight employees of the Laboratories were injured, two of them seriously. In addition three manufacturers who happened to be in the Laboratories at the time were badly hurt.

At the time of this writing (October 24) architects and builders who constructed the Laboratories originally were inspecting the structure. It is hoped that regular activities can be continued at an early date.

Meanwhile, the Laboratories have accepted the offer of the American Society of Heating and Ventilating Engineers to use their research laboratories at 10,700 Euclid Ave., Cleveland. The telephone number is Randolph 8844.

standby equipment of the natural gas industry. Furthermore, the demands made upon both manufactured and natural gas utilities have been increased by consumers seeking to convert from coal and oil to the use of gas.

Production of anthracite coal is estimated at 61,000,000 tons as compared to requirements of 66,000,000 tons, including exports to Canada. To bring supply and requirements into balance, the Solid Fuels Administration has issued an order limiting deliveries of domestic sizes of anthracite to 87½% of normal requirements.

The most recent official estimate of production of bituminous coal is 610,000,000 tons although it is acknowledged that this figure may be exceeded. Requirements are estimated at 626,000,000 tons including approximately 30,000,000 tons for exports and bunkering ships. Thus the shortage is in the neighborhood of 16,000,000 tons. The Solid Fuels Administration for War is limiting deliveries of Districts 7 and 8 coal for domestic use to 90% of normal requirements. So far as supplies of oil are concerned, we are now assured by the PAW that adequate supplies will be available to take care of requirements of manufactured gas companies.

Future Responsibilities

In closing, I should like to make a few cautious remarks about the future. The gas industry will continue to have serious management problems in the field of wages, the general price level, rates and taxes. There is certainly nothing particularly new about these problems and I am sure that the management of the industry will be able to make such adjustments as are called for by the future situation. In the general field of competition between coal, coke, fuel oil, gas, electric power, technical advances will undoubtedly affect the outcome with respect to particular uses for particular fuels. Certainly the gas industry should devote its energies and funds to technical improvements which, in the long run, will improve the welfare of the consuming public and the nation as a whole. As for natural gas, conservation of natural resources will undoubtedly be given a high place in the policy of the country. I feel sure that the natural gas industry will assume a role of enlarged public responsibility and will agree in principle to measures designed to safeguard the country's resources. I believe the gas industry along with all other American industries should take an active part in solving the vital problems of national security and employment.

During the war years the leaders in the gas industry have worked cooperatively and successfully with leaders in government. I see no reason why the executives of this industry should not continue to work with government after the war in much the same manner. I recognize that there is frequently a difference between the public interest and any particular private interest. But on the other hand controversies are not necessarily irreconcilable and there is no excuse whatsoever for a feeling of hostility between government and business. I am sure that we can preserve the diversity of individual enterprise within a framework of national unity and I hope that that objective will characterize the leadership in this industry.

Postwar Water Heater Study Completed

THAT part of the A. G. A. postwar national appliance survey dealing with water heaters was completed last month and distributed to member gas and manufacturer companies. It is the third report issued by the Postwar Subcommittee on New Improved Gas Appliances, F. M. Rosenkrans, chairman. Report No. 1 covers gas ranges and coordinated gas kitchens. Report No. 2 deals with gas refrigerators. A fourth and final section of the survey, covering house heating equipment, will be released shortly.

Each report is a tabulation of replies summarizing the opinions of gas companies on improvements most needed in postwar gas appliances. The report on gas water heaters represents 78.5 per cent of the total gas meters in the United States. Tabulated results are on a national and regional basis.

In releasing the water heater report, the committee expressed the hope that it "will serve as a most important guide in water heater manufacture; first, for changes and improvements in design and construction of gas water heaters in the immediate postwar period; second, as a guide for a long-range research and development program for radically new features and new gas water heaters."

Action on Postwar Appliance Plans

More than 100 members, representing 49 firms, turned out for the first breakfast meeting since Pearl Harbor, under the sponsorship of the San Francisco Unit of the Gas Appliance Society of California. George S. Jones, Jr., vice-president, Servel, Inc., was the featured speaker, talking on "The Dealer's Postwar Opportunity." Seated at the speakers' table, are: (left to right) top row, H. V. Potter, director, A. G. A. Coordinated Kitchen Program; Clifford Johnstone, managing director, Pacific Coast Gas Association; and Harry A. Strong, San Francisco, vice-president, Servel, Inc. Bottom row: George W. Sonne, president, San Francisco Unit, Gas Appliance Society, who presided at the meeting; George S. Jones, Jr., and Frank K. Runyan, president, Western Merchandise Mart

Rate Reductions vs. Excess Profits Taxes

C. E. Packman

By C. E. PACKMAN

Controller, Middle West Service Co., Chicago, Ill.

IN most of the discussions which have sprung from the Detroit Edison case, only the economics and equities of the situation have been explored. By and large it appears to be taken for granted that there are no serious technical questions involved. Some have gone so far as to assert that reasonable rates to consumers will produce no excess profits tax liability to be met by the utilities. Presumably that philosophy also envisages that on that basis utilities will also have left a fair return.

A study of the Internal Revenue Code indicates quite the contrary, generally speaking. The Code provides two methods by which taxpayers may compute their excess profits credits, which are used in determining the amount of income subject to the excess-profits tax: (a) the Invested Capital Credit Method and, (b) the Income Credit Method. Having determined the credit, total taxable income is divided into two portions if it is in excess of the sum of the credit plus the specific exemption. If there is such an excess the portion equal to the credit and exemption is subject to the normal tax and surtax and the balance is subject to the excess profits tax. Both portions are sometimes subject to further adjustment in computing the surtax and the excess profits tax, but these variations will be ignored for purposes of simplicity. If the taxable income does not exceed the total of the credit plus the exemption then the entire amount is subject to the normal tax and the surtax.

(a) The Invested Capital Credit Method

Under the Code the Invested Capital is substantially the sum of 100% of the Equity Capital plus 50% of the Borrowed Capital. In most cases the allowance of 50% of the Borrowed Capital is offset by the disallowance as a deduction of 50% of the interest on such capital.

The Excess Profits Credit is 8% of the Invested Capital up to $5,000,000, plus 6% of any excess over $5,000,000 up to $10,000,000, plus 5% of any excess over $10,000,000.

The Excess Profits Tax is computed on the excess of the total Taxable Income over the Excess Profits Credit.

From the above, it can be seen that the Excess Profits Tax is levied only against taxable income in excess of a limited return on Invested Capital. The average of the limited return allowed on Invested Capital appears to be in the same area as the fair return usually allowed utilities on their rate base, all of which, unless further analyzed, might seem to bear out the implication that fair rates to consumers will produce no Excess Profits Tax.

However, this is quite untrue, entirely apart from the fact that substantial adjustments are usually required in computing the portion of Invested Capital which is represented by Equity Capital. The fallacy of this belief arises because it ignores the fact and manner of computing the Federal Normal Tax and Surtax.

To illustrate, assume that a taxpayer has a rate base of $17,000,000 on which a fair return of 6%[1] would be $1,020,000. Assume also that this taxpayer has an Invested Capital of $17,000,000, consisting entirely of Equity Capital so as to eliminate from the calculation the effect of Borrowed Capital and the interest thereon. The Excess Profits Credit (exclusive of the specific exemption of $10,000) would be computed as follows:

$5,000,000 at 8%	$ 400,000
5,000,000 at 6%	300,000
7,000,000 at 5%	350,000
	$1,050,000

From these figures it might be assumed that since the Excess Profits Credit of $1,050,000 exceeds the income (return) of $1,020,000, no Excess Profits Tax liability would ensue. But the return of $1,020,000 is income *after* Federal Normal Tax and Surtax of 40%. Therefore, the return of $1,020,000 might seem to be 60% of the taxable income subject to Normal Tax and Surtax. Such taxable income would, therefore, be $1,700,000, as shown below:

Taxable Income	$1,700,000
Less—Normal Tax and Surtax of 40%	680,000
Return	$1,020,000

But now the provisions of the Code come into play, and it is found that on this set of facts the taxpayer would have to pay an Excess Profits Tax computed as follows:

Taxable Income	$1,700,000
Less—Excess Profits Credit	1,050,000
Excess Profits Taxable Income	$ 650,000
Excess Profits Tax at 85.5% (net)	555,750

The Normal Tax and Surtax would also be 40% of the amount, $1,050,000, not subject to Excess Profits Tax, or $420,000, so that, with total taxable income of $1,700,000 and an Excess Profits Credit of $1,050,000, it is found that this taxpayer could not earn a return of $1,020,000 because its income account would appear as follows:

[1] 6% is not submitted as a fair rate of return. Such rate is used merely for simplicity of the hypothetical calculations used herein.

Total Income before Federal Taxes		$1,700,000
Less—Normal Tax and Surtax	$420,000	
Excess Profits Tax	555,750	975,750
Net Income after Federal Taxes		$ 724,250

This is a return of only 4.26% on a rate base of $17,000,000.

Thus, things are not at all what they seem to be and there can be no reconciliation of the fact that, while rate base and return may correspond substantially to Invested Capital and the Excess Profits Credit, Excess Profits Tax will not necessarily be absent. In most cases, for companies using the Invested Capital Credit Method, a reduction in rates to consumers may produce startling results and should not, therefore, be undertaken without a careful study and analysis of its effect under the Code provisions.

(b) The Income Credit Method

The Excess Profits Credit under this method is 95% of the average base period (1936-1937-1938-1939) net income, plus 8% of subsequent net capital additions, or, minus 6% of subsequent net capital reductions, as the case may be. The intent is, of course, to tax increased earnings during the current war years. However, there is an additional immediate arbitrary penalty of 5% of the base period income in ascertaining the credit of 95% of average base period income.

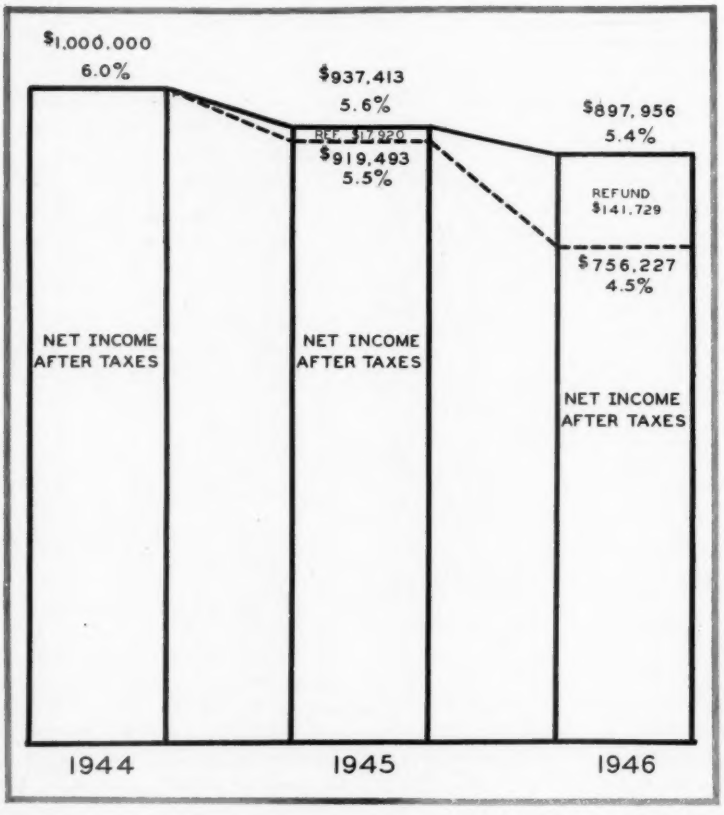
In the case of utilities there is no compensation for failure to earn a fair return in the base period. Consequently, if a utility failed to earn a fair return in the base period but has increased earnings in the current years, which earnings are still less than a fair return, it must pay an Excess-Profits Tax. To illustrate, let us again assume a taxpayer utility with a rate base of $17,000,000 (with Invested Capital of $10,000,000, which is not uncommon) on which a fair return of 6% would be $1,020,000. Assume further, that the rate base has remained static and that the average earnings for the base period were $700,000 and the income for the current year is $1,000,000. The Excess Profits Credit would be 95% of $700,000, or $665,000, and an Excess-Profits Tax would be levied against the difference between $1,000,000 and $665,000 or $335,000 at 85.5% (net), a tax of $286,425. And the $665,000 would be subject to Normal Tax and Surtax of 40%. Thus, this utility, though not earning a fair return, then or now, is first subjected to a sharply increased rate of Normal Tax and Surtax (the average rate in 1936 to 1939 was about 17%) and then must pay a large (so-called) Excess Profits Tax. Surely no better illustration could be visualized of the misnomer involved in the term "Excess Profits Tax."

It might seem that, for companies using the Income Credit Method of computing the Excess Profits Credit, the situation lends itself much more readily to the program in question, aside from the inequities which might result with respect to the return. However, there is another factor to be considered.

In the light of the greatly increased excess profits tax rates provided for by the Revenue Act of 1942, the Congress broadened the relief provisions of Section 722 of the Code. Corporations satisfactorily establishing eligi-

Chart 1—EFFECT OF EXCESS-PROFITS TAX ON RETURN—ASSUMING NO RATE REDUCTION

	1944	*1945*	*1946*
Operating revenues (no rate or refund reductions)	$5,523,800	$4,723,540	$4,251,429
Operating Expenses	3,591,052	3,191,052	2,991,052
Net operating revenues (net taxable income)	$1,932,748	$1,532,488	$1,260,377
Federal Normal and Surtax	632,748	612,995	504,150
Federal Excess-Profits Tax (without carryback credit)	300,000	—	—
Net operating income (return)	1,000,000	919,493	756,227
Excess-Profits credits (income method)	$1,581,871	$1,581,871	$1,581,871
Tax benefit arising from carryback of Excess-Profits credit	—	$ 17,920	$ 141,729



bility for relief may use the constructive average base period net income, replacing the actual average base period net income. The constructive average base period net income may be asserted only if the actual earnings are an inadequate standard of normal earnings because of the existence of one or more of the abnormal factors specified in the sub-divisions 722(b) (1) to (5) of the Code.

It is reported that over thirty thousand claims have been filed under this section of the Code and that most of the larger utilities are included among such claimants. It is also understood that many thousands of additional claims will be filed for current years and that, as a matter of fact, the processing of these claims has provided the Bureau of Internal Revenue with a major problem.

For the companies involved then, the determination of the amounts of their excess profits tax liabilities must wait upon the auditing of these claims filed under Section 722. Additional time may be required if these taxpayers should disagree with the findings of the Bureau with respect to such claims and appeal such findings to the United States Tax Court. Manifestly, it will be a considerable period of time before the taxpayers know what action is to be taken upon the claims already filed so that they may know what the effect of such claims may be upon their excess profits tax liability for current years.

If current estimates of excess profits taxes, made without benefit of the relief contemplated under Section 722, are converted into rate reductions, the results may well be wholly different from those contemplated because the allowance of the claim may substantially reduce or entirely eliminate the estimated excess profits tax. Great care should be exercised, therefore, in dealing with this matter.

Mimeograph No. 5747 issued by the Commissioner of Internal Revenue on September 23, 1944, specifies 34 industries whose profits cycle history during the base period is not regarded as abnormal. The electric light and power industry is among the 34, the gas industry is not. The mimeograph admits that the determinations are tentative and does not debar any taxpayer from obtaining full consideration of any pertinent evidence in support of a claim based on the profits cycle history of its industry. The determination may, however, increase the difficulties of obtaining relief for those industries named, which may mean added delay.

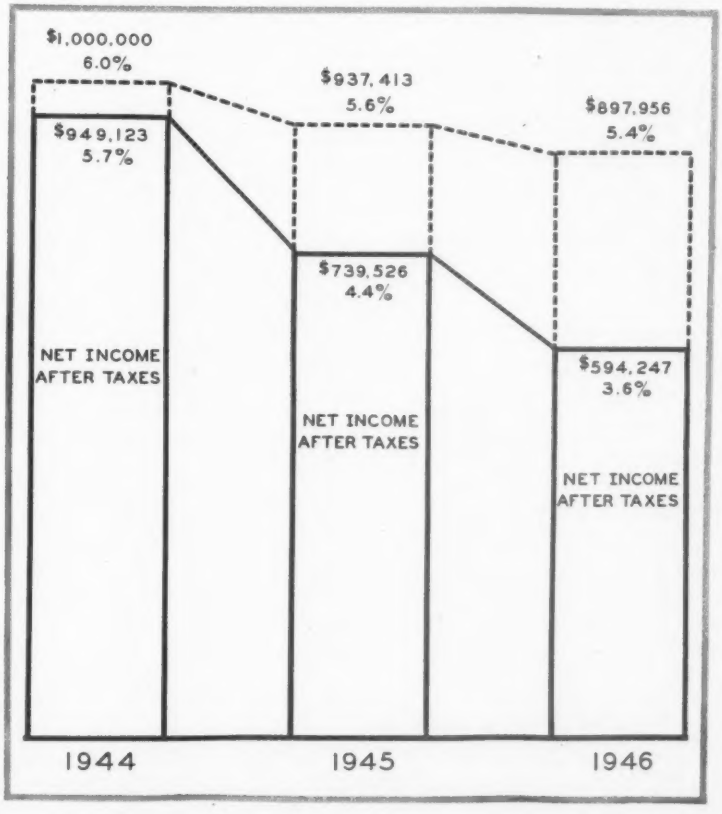
The Carry-Back and Carry-Forward Provisions

There is another relief provision in the Internal Revenue Code, which will be lost to utility companies if they are subjected to rate reductions designed to eliminate excess profits taxes. These are the so-called "carry-back" and "carry-forward" provisions, which permit taxpayer corporations to carry back or carry forward unused Excess Profits Credits for two years. This provision is commented upon in the report of the Senate Finance Committee on the Revenue Bill of 1942, starting on Page 51, as follows:

"The present law permits corporations to carry forward for 2 years their net operating losses. It also allows the unused excess-profits credit to be carried forward for 2 years. These provisions obviously are of benefit only in periods of increasing business activities. Many corporations will suf-

Chart 2—EFFECT OF EXCESS-PROFITS TAX ON RETURN—ASSUMING A PERMANENT RATE REDUCTION WHICH FOR THE YEAR 1944 REDUCES TAXABLE INCOME SUFFICIENT TO ELIMINATE EXCESS-PROFITS TAX

	1944	*1945*	*1946*
Operating revenues (after a 12.24% reduction)	$4,847,923	$4,145,379	$3,731,054
Operating expenses	3,266,052	2,912,836	2,740,643
Net operating revenues (net taxable income)	$1,581,871	$1,232,543	$ 990,411
Federal Normal and Surtax	632,748	493,017	396,164
Federal Excess-Profits Tax	—	—	—
Net operating income	949,123	739,526	594,247
Reduction in taxable income	350,877	299,945	269,966
Excess-Profits credit (income method)	$1,581,871	$1,581,871	$1,581,871



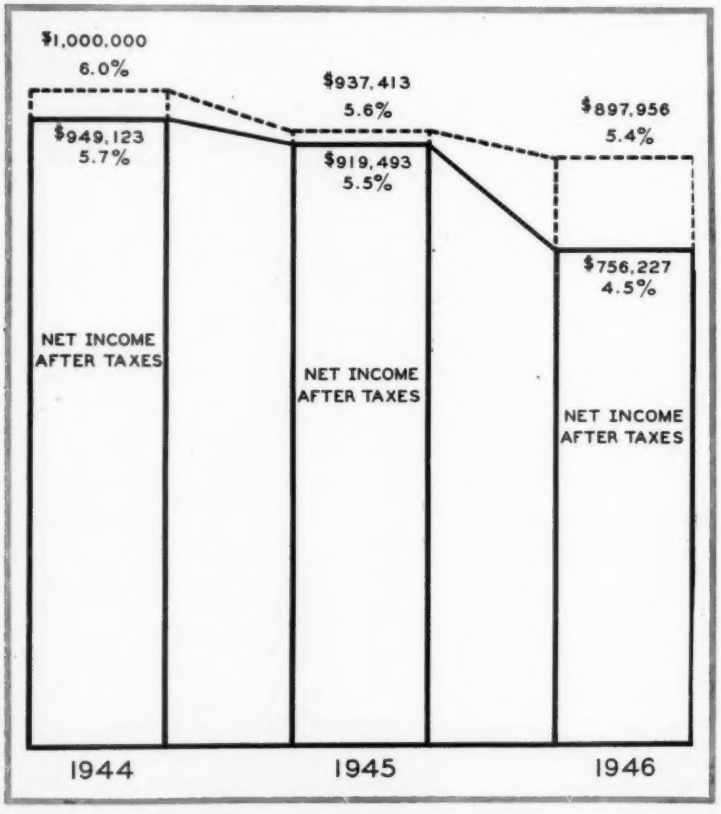
fer substantially in periods of declining profits, especially at the close of a war economy in which their deductible expenses have been held down to a bare minimum by priorities, rationing, labor shortages, and other factors beyond the control of the tax payer. For example, a corporation during the war years makes substantial profits which would be considerably reduced if it could make the expenditures possible in a free economy for maintenance, repair, and other deductible expenses. Upon the termination of the war, the materials and labor will once more be available, but the costs and expenses which would otherwise be taken against the wartime profits will fall into the years of lesser profits or of no profits, thereby resulting in small or no tax benefit for the taxpayer.

"If the taxpayer would in any case be subject to excess-profits tax for every year of the cycle, no harm results from deductions being taken in years other than those to which they should properly be attributable. This would be equally true if the taxpayer would in any case be subject only to the normal tax and surtax for each of the years in the cycle. If, however, the taxpayer is subject to excess-profits tax in the year to which the deduction should properly be attributable and not subject to excess-profits tax in the year in which the deduction is allowable under the present law, hardship results. The same is true if he is subject to normal tax and surtax in the former year and has a deficit in net income in the latter year.

"To afford relief to these hardship cases, where maintenance and upkeep expenses, must, because of wartime restrictions be deferred to peacetime years, your committee has provided a 2-year carry-back of operating losses and of unused excess-profits credit. This provision affords, in effect, the same type of relief in periods of declining profits which the present 2-year carry-forward of operating losses and unused excess-profits credits affords in periods of increasing profits."

Chart 3—EFFECT OF EXCESS-PROFITS TAX ON RETURN—ASSUMING A RATE REFUND APPLICABLE TO THE YEAR 1944 ONLY WHICH REDUCES TAXABLE INCOME SUFFICIENT TO ELIMINATE EXCESS-PROFITS TAX

	1944	*1945*	*1946*
Operating revenues	$4,847,923	$4,723,540	$4,251,429
Operating expenses	3,266,052	3,191,052	2,991,052
Net operating revenue (net taxable income)	$1,581,871	$1,532,488	$1,260,377
Federal Normal and Surtax	632,748	612,995	504,150
Federal Excess-Profits Tax	—	—	—
Net operating income	949,123	919,493	756,227
Excess-Profits credit (income method)	$1,581,871	$1,581,871	$1,581,871



Most utility companies expect a period of declining earnings in the postwar period and are seriously concerned with any rate adjustment program which will take from them the relief provided by the carry-back of unused Excess Profits Credit.

From the point of view of the question in hand, they may be somewhat less interested in the carry-forward of such unused credits. Certainly, however, it would be exceedingly unwise to convert excess-profits taxes into consumer rate reductions, which would, thereby, eliminate the stabilizing effect of the carry-back provision.

It is possible to illustrate the stabilizing effect of the carry-back provision in chart form. Chart 1 outlines this effect in the case of a company going through a period of declining earnings in which no rate reduction is made. To retain simplicity the chart is limited to three years, 1944-1945-1946. It has been prepared on the basis that excess profits tax liability will exist in 1944, but that in 1945, and continuing in 1946, the company will enter into a period of declining earnings so that no such tax liability will exist for the last two years, and the company will have an unused Excess Profits Credit in both years, which can be carried back to 1944 and will produce refunds of Excess Profits Tax as indicated in the chart.

The broken line shows that, as a result of the assumed decline in earnings without any change in rates, the rate of return before giving effect to the carry-back provision would drop from 6% in 1944 to 5.5% in 1945 and to 4.5% in 1946. The spread between the broken and solid lines shows the amounts of refunds which could be secured under the carry-back provision and which would lift the sagging return from 5.5% to 5.6% in 1945 and 4.5% to 5.4% in 1946. Thus, the carry-back provision gives material support to the rate of return as earnings decline during a business slump.

The destruction of the stabilizing

(Continued on page 469)

Gas "Dream Range" ... *Pacific Coast Laboratory Presents Mock-Up for Study*

Top section mock-up embodying the disc grate mounted on a temporary range. Grates and aeration bowls at left are black porcelain enamel while those at right are white porcelain enamel

• As a result of research following the Pacific Coast Gas Association's "Dream Kitchen" Contest last year, the Gas Appliance Laboratory of the Southern California Gas Company and the Southern Counties Gas Company set up an experimental range to stimulate further study of design problems. The grate and top section described in this article represent one of many possible solutions of a defect in contemporary range design. It is offered by the gas companies entirely as a suggestion and not a recommendation.

WHAT improvements will the home manager of the postwar world wish to see in the modern gas range?

This was the question the gas industry asked Pacific Coast gas women last year in a "Dream Kitchen" Contest, sponsored by the Pacific Coast Gas Association. Hundreds of answers were received from women employees of member companies many of whom, it was considered, are in a position to know, not only what they themselves would like to have in their own kitchens, but what customers would like to have, too.

The results of the contest were made available to Pacific Coast gas companies, and the Gas Appliance Laboratory of the Southern California Gas Company and the Southern Counties Gas Company has been busy during the past several months creating improvements on contemporary range design that would more nearly meet the functional performance requirements of the housewife, as revealed by a study of the PCGA contest entries.

Last month, the Laboratory was ready to disclose the results of some of their research, and manufacturers' representatives were invited to view an experimental "mock-up" range in the Flower Street Auditorium in Los Angeles, where Harry Warren, of the Laboratory, read a report of the test work.

To meet an "easy to clean" requirement, the "dream range" is equipped with a monolithic sheet of metal which is free from cracks, crevices, flutes, ridges, holes, name plates, etc. The only holes in the top panel are small circular openings through which the burners protrude. The smart appearance of the top makes top covers unnecessary, eliminating exposed springs, hinges or sharp corners to catch dirt and lacerate hands. The only exposed parts besides the top panel are four grate discs which are also flat and smooth. They are supported by the burners, therefore require no holes on the top panel in which to engage pins.

The burners are fully protected from boil-overs and splatters. To accomplish this, the burner heads are protected by solid grates which are considerably larger in diameter than the burners. The design contemplates vertical mixing tubes which make it possible to remove each burner grate assembly easily for cleaning.

The control handles and dials are smooth and flat and free from beads, flutes, embossings and crevices.

There seems to be no single color which homemakers prefer for kitchen decoration, yet it is essential that the color of the range does not clash with the rest of the kitchen. It is also indicated that light colors be used since they suggest cleanliness. The top panel is white porcelain enamel except for the aeration bowls and grates which are black porcelain enamel. White porcelain enamels that were available

Cooking performance of the experimental range is demonstrated by Mrs. J. L. Evers of the appliance laboratory's staff

Harry Warren, of the laboratory's staff, demonstrates a range model to a group of manufacturers

before the war would craze when exposed to the temperatures experienced at these locations. However, it is heard that white porcelain enamel, capable of satisfactorily withstanding these temperatures, will be available after the war. If such enamel is available, the area of black on a top panel, such as this, could be still further reduced or perhaps completely eliminated.

In the burner arrangement, an attempt was made to provide ample space out of heat zones to place pan handles, to space the grates far enough apart so that a large pan or skillet centered on one grate will not overlap another, and so that it is not easy to inadvertently knock pans off the range onto the floor. The four burners are arranged along the back of the top panel, six inches from the back splasher and ten inches from one another. Since the grates are solid, they will support small diameter utensils such as measuring cups and coffee percolators perfectly whether they are placed in the center of the grate or not. The arrangement of the burner grates provides ample working space for setting electric mixers, pans of food, dishes, etc. on the range top.

The solid top burner grate has the advantage of giving a more efficient distribution of heat as well as materially increasing the thermal efficiency of the burner.

Mildred Clark Wins McCall's Home Service Contest

Mildred Clark

WINNERS of the 1944 awards for outstanding contribution to the advancement of better living in the home, through the promotion by home service departments of gas appliances and equipment, sponsored by "McCall's Magazine" and administered through the American Gas Association, were announced October 5. First prize, consisting of a War Bond and Stamps plus an engraved plaque, was awarded to Mildred Clark, home service director of the Oklahoma Natural Gas Company. Miss Clark's paper describing the varied program her home service department has carried out in the eight well-functioning districts scattered all over the state of Oklahoma will be published in the December A. G. A. MONTHLY.

Second, third, fourth and fifth prizes, consisting of War Bonds and Stamps plus an illuminated parchment went to Jeanette Campbell, of the Minneapolis Gas Light Company; Thelma Bly, of the Wisconsin Power and Light Company; Hulda Ungericht, of the Ohio Fuel Gas Company; and Mrs. Helen Heiser of the Binghamton Gas Works.

Prizes were based on papers submitted by entrants, covering the aims of the home service department, in training of personnel and sales people, community activities engaged in, and increase in scope of home service activities during the year.

Miss Clark won second prize in the 1941 McCall awards. She is a member of the American Gas Association Home Service Committee, and is home service editor of "Southern Gas Progress."

Judges for the McCall Magazine Awards were, Mr. F. M. Houston, of the Rochester Gas and Electric Corporation; Miss Joie Kammer, of the New Orleans Public Service, Inc.; Mr. R. A. Malony, of the Bridgeport Gas Light Company; Mr. F. M. Rosenkrans, of the Gas Service Company, Kansas City; and Mr. W. D. Williams, of the Public Service Electric & Gas Co., Newark, N. J., who was Chairman of the Jury of Awards.

Jeanette Campbell

Thelma Bly

Hulda Ungericht

Mrs. Helen Heiser

Houston Natural Tops Safe Drivers

FIRST place in safe-driving competition among 48 public utility companies was the record attained by the drivers of Houston Natural Gas Company's fleet of 65 trucks during the twelve months' period ending June 30, 1944.

Official notification of this outstanding achievement was received recently by R. M. Hutchison, company director of safety, in a congratulatory letter from W. F. Brown, general chairman of the commercial vehicle section of the National Safety Council. Formal recognition was given the accomplishment at the National Safety Congress in Chicago, October 4, when a plaque was presented to Mr. Hutchison.

Winning first place in the National Fleet Safety Contest comes as a climax to a currently unbroken record of safe driving in which the drivers who operate the Houston Natural's commercial vehicles have driven more than 1,300,000 miles without a chargeable accident. The record embraces a period of more than 25 consecutive months.

Last year Houston Natural placed second in the public utilities division in national competition, and the year before ranked eighth.

Washington Wins Victory Garden Award

Edward T. Stafford, secretary, Washington Gas Light Company (right) accepts plaque for his company's outstanding contribution to the gardening movement from J. Morton Franklin, supervisor, D. C. Victory Garden Committee. In the center is Jack Wolf, of Calvert Distillers Corp., donor of the plaque

THE Washington Gas Light Company has been honored by the D. C. Victory Garden Committee for the most outstanding contribution to its cause. At a recent home harvest show in the gas company auditorium, the committee awarded to the company the Victory Gardener Plaque, a donation of Calvert Distillers Corporation.

For the past two years, the gas company has contributed to a prize fund and has otherwise aided in promoting the interests of victory gardening in the nation's capital. Last season it was on the air three times weekly, sponsoring a gardening commentator.

One + One = Four? . . . *A New Equation To Evaluate the Gas Water Heating Load*

William J. Schmidt

• This forceful plea for more recognition of the tremendous importance of the gas industry's step-child—the water heating load—is backed by one of the most experienced men in this field. Mr. Schmidt has gained wide practical knowledge in his own territory and has an exceptional background of coordinated industry activity. In addition to being chairman of the New York Metropolitan Gas Heating and Air Conditioning Council, he is a member of the following American Gas Association committees: Water Heating, Architects' Manual Specifications, Prefabrication, Cost of Utility Service for Housing, and Critical Materials for War Housing.

By WILLIAM J. SCHMIDT

General Sales Manager, Long Island Lighting Co., Mineola, N. Y.

IT does not require a "Quiz Kid" to tell you that one and one make two . . . . that is fundamental to nearly all people except those members of the gas industry interested in automatic gas water heaters. These individuals, if they are progressive and know their load builders, will insist that one and one make four! "How can that be?" will undoubtedly be the retort of most people who will be inclined to take the gas man by the hand and lead him gently to a nice quiet institution for the mentally deranged.

Double Range Revenue

However, the well-informed gas man can prove that one automatic gas water heater is the equivalent (in total consumption) of two domestic gas ranges, or in a majority of cases, the equivalent of one domestic gas range and one gas refrigerator. Thus, one automatic gas water heater plus another automatic gas water heater are really the equivalent of four gas ranges! Some companies have already determined the truth of these equations by making studies of their records and I strongly recommend to the skeptic that he convince himself by doing likewise.

The victory garden is an outgrowth of our war situation and it proved that necessity still may be considered the mother of invention. The serious shortages of competitive fuels taught users of coal and oil that hot water is not supplied free with these media any more than it is with gas. These people could not be convinced of this truth by gas company salesmen in past years but they have learned the hard way since Pearl Harbor. Many of them have been besieging gas company sales departments for automatic gas water heaters after a few distressing and losing bouts with their local ration boards who relentlessly refused requests for additional oil or coal coupons to supply domestic hot water.

"Opportunity knocks but once" is an old axiom and our industry must not miss its chance to capitalize on the present situation. At the present time opportunity is battering down our doors. BUT if we are deaf to its calling, we may never again enjoy the favorable situation which now confronts us.

Since no market ever can be exploited successfully without definite preliminary planning having been established, let us take a close look at some factors which should insure a certain degree of success in promoting the sale of automatic gas water heaters in large volume.

First. A promotional or incentive rate for water heating service should be made available.

Second. Survey the potentialities of the territory involved. A complete sales program should be set up in detail. Have it tailor-made to fit the territory. Don't try to make Tom's suit fit Dick or Harry!

Third. Immediate steps should be taken to build an aggressive sales force of sufficient size to cover completely the territory involved.

Fourth. Sales personnel should be trained intensively in all phases of water heating.

Fifth. A compensation plan, which will enable the gas company to secure high-type sales representatives and pay them liberally, should be inaugurated. Undoubtedly sales compensation will be scaled upward by all industries following the return to peacetime markets. We must place ourselves in a competitive position with all others who are determined to secure their share of the customer's dollar.

Sixth. A rental plan and free trial offer for automatic gas water heaters should be considered for the period after Government credit regulations have been suitably modified or lifted entirely.

Seventh. Offer an incentive plan to replace existing tank heaters (now used during summer months only).

Eighth. Offer an incentive plan to encourage salesmen and customers to replace furnace coils (both oil and coal).

Ninth. Straight gas companies should consider combination sales of automatic electric washers and automatic gas water heaters either direct or through their cooperative dealer arrangements. The sale of complete laundry equipment "packages" including an automatic gas water heater, a gas tumbler dryer, an automatic electric washer, and an electric ironer is something which should not be neglected. Our industry recommends selling complete or so-called coordinated kitchens to secure the cooking and refrigeration load, why not complete laundries where the revenue from an automatic

gas water heater and gas tumbler dryer is greater?

Tenth. Local and national advertising programs which will cover all phases should be an absolute "MUST." Few well-informed gas men will contradict the statement that the majority of people recognize gas as the preferred fuel for house heating and water heating. What is the basic reason people do not use gas for water heating? They have never been convinced this service is not prohibitive in cost of operation! We can place the blame for this condition right on our own doorstep since no consistent or concentrated effort ever has been made by our industry to educate these folks by presenting the facts in plain language. Too many people remember bygone days when promotional gas rates did not exist and automatic gas water heating equipment was far less efficient than it is today. We will never have a better time to do this educational job than we have at our fingertips right now. Such a program could be divided into at least the following four major sections—

A. "Scare" advertising—tell the bacteria story in much the same manner as we did on the below 50° refrigeration promotion.

B. Develop a new dishwashing technique for the housewife by consistently advertising the necessity for an adequate supply of *really* hot water. The company I represent has embarked on this subject. A folder is mailed with every bill for gas or electric service and we will follow this up at periodic intervals with similar bill enclosures.

The average housewife does not appreciate the fact that she washes dishes *over 1000 times each year.* Laundry equipment is extremely popular and home laundry is only done once or twice each week—52 to 104 times per year. Any relief from dishwashing drudgery will be welcomed by the housewives of America.

Indirectly, such advertising may promote the sale of electric dishwashers but we must not be narrow-minded. This appliance needs an adequate supply of *really* hot water and like the automatic electric clothes washer the revenue derived by the gas company for supplying the required amounts of hot water far exceeds the return realized by the electric utility—(approximately 5 to 1 in each case)! We can be assured manufacturers of electric dishwashers and automatic electric clothes washers will promote the sale of automatic water heaters because their appliances cannot operate satisfactorily without an automatic supply of really hot water. Since we can furnish this supply of hot water better and more economically with gas, why shouldn't we pursue this profitable market aggressively? We have always boasted our main objective being loadbuilding and merchandising is only a means to this end. Our attitude should be broad enough to let competition earn one dollar any time we can earn five dollars on the same deal.

Gas Dishwasher in Offing

There are indications that a gas dishwasher will make its appearance within a reasonable time after peace comes. If and when it arrives on the appliance market our advertising theme can be altered to place due emphasis on the virtues of the "new-arrival." The prospects of this new device should not lead us into a policy of watchful waiting since gas-heated water consumption is our main objective. All gas or electric appliances which require hot water for successful operation can help our program and advertising of the right kind will be an important factor in securing maximum results.

A new threat is scheduled to appear on our competitive horizon in the form of a detergent which will make it unnecessary to use hot water! It is presently used by the Navy and large industrial concerns who can furnish suitable priorities. It is described as follows: "Truly the all-purpose chemical cleaner that makes suds instantly in *sea water,* hard water, or any kind of water, hot or cold! Its properties are germicidal, fungicidal, bacteriastatic, and automatically antiseptic. Cleans lipstick from glassware instantly!" Products like this give us another good reason to advertise effectively and continuously. Perhaps our industry should enlist the cooperation of the soap industry since they would be affected in like manner. At least it gives us food for serious thought.

C. Stop all advertising which features construction details, technical descriptions of equipment, etc. and publicize the convenience of and necessity for an automatically controlled supply of really hot water.

D. Feature the service which the user of an automatic gas water heater gets for a nominal cost. This service extends from basement to attic and gas men should not overlook the water heating load when calculating revenues derived from kitchen appliances. Many postwar homes without basements will elevate the automatic gas water heater to the kitchen or first floor utility room. It has ceased to be a basement appliance! Modern automatic gas water heaters provide 5 to 7 gallons of *really* hot water for one cent (depending upon the rate for manufactured gas). Where natural gas is used, far greater amounts of hot water—from 12 to 18 gallons—can be secured for one cent depending on the rate. Even off-peak electric water heating service costs more. Our advertising must tell people what we give them for their money. Emphasize the convenience automatic hot water service provides for every member of the family—from the baby's bath to the old man's shave! There is glamor in adequate hot water service—let's tell people about it!

The CP water heater program is one instrument which can greatly assist us in our efforts to put automatic gas water heating service in its proper place at the head of the list of gas industry activities. It should have the active support of utilities and manufacturers alike. Cooperative and concentrated effort by all concerned can make the CP water heater a reality and nothing should be permitted to hinder its adoption at an early date.

By way of summarizing the various recommendations contained herein, the following tabulation attempts to show the part to be played by those most vitally interested in promoting the sale of automatic gas water heaters.

	Utility	*Manufacturer*	*A. G. A.*
Offer an inducement or promotional rate for water heating	x		
Survey potentialities of territory	x	x	
Set up a *complete* sales program	x	x	
Build an aggressive sales force large enough to give full coverage	x	x	
Train Salesmen *thoroughly*	x	x	
Compensate Salesmen *liberally*	x	x	
Sell complete laundry equipment	x		
Educate Dealers	x	x	
Set up complete and continuous advertising program featuring items enumerated above	x	x	x
Build more efficient equipment. Heaters of improved appearance necessary for kitchen and first-floor utility room installations		x	
Conduct constant research to improve present equipment and discover new uses for gas as a fuel		x	x
Foster CP water heater promotion	x	x	x
Include hot water presentations in all Home Service Demonstrations and tie-in that department to help water heating promotion. Dishwashing fits the picture admirably	x		x

It is a certainty that the electric industry will pursue the water heating market as aggressively as they have the cooking field. On January 1, 1944, there were more than 3,500,000 electric ranges and approximately 1,100,000 electric water heaters in use. Our experience has proven that electric water heater sales increase much more rapidly when electric range sales surge upward. Electric industry promotions will make it imperative for us to keep everlastingly on our toes if we are to dominate the field of automatic water heating!

Statistics prove that electric equipment requires more than three times as much service and maintenance expense as gas equipment. Our story should acquaint prospects with these facts! Let's take off the white kid gloves and start punching with our sleeves rolled up and our knuckles bared!

No experienced gas man will deny the fact that a cooking customer, alone, is a borderline case when it comes to the net profit column on the balance sheet. Many will admit such customers are served at a loss!

In the coming postwar years, the automatic gas water heater is the key to the door marked "Increased MCF per Customer." It should not be permitted to rust on our keyrings!

New Chicago Gas Campaign

"NO USE TALKING . . .
Flame-Cooked Roasts Taste Better!"
It takes a FLAME to roast right
Food Quiz for Wartime Homemakers
The Clean Blue Flame That Heats to Cook
THE PEOPLES GAS LIGHT AND COKE COMPANY

One of the new series of advertisements by the Chicago gas utility which minces no words about gas flame-cooking superiority

Gremlin Book Gives Gas Installation Methods

A PLAN for educating the public and gas company employees in proper installation of gas appliances and gas piping has been started by Lone Star Gas Company, Dallas, Texas, with publication of a book called the "Gremlin Book."

The publication is to be presented to architects, contractors, lumber yards and prospective home owners. In order to point out numerous mistakes which are made in locating gas outlets and gas appliances, the book uses the House Gremlin to dramatize right and wrong methods of installation. The Gremlin says: "If you don't plan right, I'll get you."

Officials of the company state that development of gas utilization in the company's territory has been haphazard and the effort now, with the approach of postwar building, is to induce people to really plan for home comfort. Emphasis is placed on installation of vented heating equipment to replace the numerous open flame unit room heaters which at present represent 80 per cent of the house heating appliances in that territory.

The book starts with kitchen plans showing some errors that are made when the builder fails to properly plan for kitchen appliances. Proper methods of venting water heaters are shown next. The largest section of the book is devoted to house heating and some of the misconceptions about this important element of the home. Six different methods of house heating are described and illustrated in detail, the illustrations being in color. Causes and prevention of wall sweating are explained.

The booklet is also to be used as a training manual for new salesmen who will be hired after the war. The publication was initiated by J. M. Lynn, Jr., assistant new business manager of the Dallas Division of Lone Star Gas Company, with the advertising department and other departments assisting in its development.

Ferris Honored

THE honorary degree of Doctor of Engineering was conferred on Herbert H. Ferris, general manager of the gas department, Public Service Electric and Gas Company, Newark, N. J., by Worcester Polytechnic Institute October 24 in Worcester, Mass., at graduation exercises of the class in engineering. Since 1934 Mr. Ferris has been a trustee of Worcester Tech. from which he was graduated in 1899 with a B.S. Degree in Mechanical Engineering.

Mr. Ferris has been in the gas industry forty-five years and with Public Service and predecessor companies since November 15, 1900. He has been general manager of the gas department eighteen years.

Miss Kirtland Gets Home Service Post

APPOINTMENT of Helen L. Kirtland to the position of home service and home lighting director has been announced by New Jersey Power & Light Company with headquarters at Dover, New Jersey.

Miss Kirtland has had sixteens years' experience in home service work, having held positions of responsibility with New York State Electric & Gas Corporation, Rochester Gas and Electric Corporation and, for the past five years, as home service director of the Republic Light, Heat and Power Company, Buffalo, New York. She is a graduate of University of Buffalo, with the degree of B.A.

Styled all-gas kitchen of today as shown in the Philadelphia exhibit

March of Time Exhibit Shows Gas Progress

YESTERDAY — TODAY — TOMORROW is the theme of an exhibit which opened on the sales floor of The Philadelphia Gas Works Company late in September. The various displays are designed to show the contrast between appliances of days gone by, with those of the present, and suggests the greater advances which may be expected of GAS—"the fuel of the future."

The exhibit begins with comparisons between the small size street mains which brought gas to the progressive householders of the day when Philadelphia was a leading city of 100,000, to the modern mains with 300 times the old capacity, necessary for the 496,000 gas customers of today. Other displays follow, showing the application of gas in lighting, cooking, water heating, refrigeration and house heating.

Ranges used about 1860 and 1875 are side by side with present models. Those old appliances were the most advanced of their day, and grandma in her pride of ownership might be heard to boast, "Turn the handle and there's your fire."

Pictures showing (above) a range used by great-grandmother compared with one from today's kitchen; and (below) the forerunner of house heating appliances is shown beside one of the latest models. Ruth Gillen is the lady of yesteryear while Ruth Brown represents the modern girl

The old time manually operated water heater was a distinct advance over the "kettle on the stove." Today's completely automatic, efficient and economical water heater has freed thousands of Philadelphia householders from the necessity of frequent trips to the cellar. "Tomorrow" will bring added advances.

Within memory of all is the old-fashioned refrigerator shown beside the latest Servel model. The effect is startling and clear proof of up-to-date application of gas to household tasks.

Forerunner of the modern gas house-heating installation is a small gas heater which looks like the oil stove it replaced. In use in 1882, it found acceptance, because it eliminated fuel carrying and soot. Strangely enough, the same two reasons are still among the chief factors weighed by those who have replaced other systems with gas—no fuel to order or store, no soot or dirt to mar the basement, literally adding another useful room to the home. Another feature of the exhibit is a section showing the improvements made in gas lighting from the middle of the 19th Century to the end of World War I. In the display are lighted wall burners of the era around 1850, the chandeliers with individual burners common in 1880, and the fixtures using the Welsbach mantle which had greatly improved illumination at the beginning of this Century. Also shown are the dome type lights which graced Philadelphia parlors and dining rooms around 1916. This display is in a setting of life-size illustrations of housekeepers dressed in characteristic costumes of the period which mark the steps of advance.

Beneath glass Victorian bells are displayed specimens of early devices used for lighting: candle molds and holders, oil lamps of tin and glass and even safety lamps that miners formerly used. The articles on view in this section were lent by the Franklin Institute.

Other items providing interest to the show designed by T. J. Taylor, supervisor, Display Division, are meters old and new, a cut-away model of a gas manufacturing plant, a meter-prover used in testing the accuracy of meters, and framed copies of gas bills, one dated 1840—"the year Abraham Lincoln became engaged to Mary Todd" says the card accompanying it.

The exhibit is scheduled to run two months, and, in view of its public reception to date, many thousands of visitors are expected to avail themselves of the opportunity of viewing it.

The Philadelphia Gas Works News,
October 1944

A Pat for A.G.A.

The electric utility in Aruba, Netherlands West Indies, asked the American Gas Association to supply the name of the electric trade association in this country which they could join.

Why this unusual request? Because "through the Aruba Gas Supply Co., Ltd., we learned of the valuable information they are receiving regularly from your Association."

Technical Progress . . . *Gas Industry*

Postwar Research and Engineering Studies

• A yearly review of development in the engineering and economic phases of the Postwar Planning Committee's work, prepared originally for presentation before the A. G. A. annual convention which was cancelled. Chairman Beebee's report appeared in the last issue of the MONTHLY. Also published in October were articles by R. E. Ginna on electric competition and by H. Vinton Potter on the coordinated kitchen program—both contributions to the gas industry's postwar studies.

By HALL M. HENRY

Chairman, A. G. A. Postwar Subcommittee on Engineering and Economic Phases of the Gas Industry

THE several studies and investigations to be undertaken by this committee have not all been completed. However, some of the studies have progressed to a point where certain inescapable conclusions are evident. These are as follows:

Economics of Heating

1. The heating load for many of the companies is the key to future load building.
2. Some few companies can, through the expenditure of relatively small sums of money to correct bottlenecks in plants and distribution systems, take on and supply economically substantial additional volumes of heating loads.
3. Other companies whose present plant facilities are being used to capacity will need to exercise considerable ability and ingenuity to be able to expand plant facilities to serve additional heating loads economically.
4. Except for certain areas the use of propane or butane for peak loads does not appear to offer a solution to the serving of the heating load on an economical basis. Certain studies and investigations which are under way may change these conclusions.
5. Based on data thus far developed. The distribution investment to serve the heating load of present customers is the relatively minor investment of the total.
6. The production plant equipment is the most serious part of the investment cost to serve the heating load.
7. The production plant equipment investment costs are made up of the following approximate percentages

    1. Generating equipment (Sets, blowers, blast headers, etc.) 20 to 30%
    2. Boilers including steam accumulators 20 to 30%
    3. Cleaning gas—condensers, purifiers, Cottrells, etc. 15 to 20%
    4. Miscellaneous items—meters, exhausters, pumps, piping, buildings, land 20 to 40%

8. To substantially lower production investment costs will require a gas process which will minimize the need for items 2, 3, 4 (of No. 7) as well as Item No. 1. In other words, to merely find some way to increase capacities of generators effects a reduction in only one of several items which comprise only 25% of the total investment.
9. The industry needs and must have a low investment cost plant to meet peak loads of heating.

Economics of Sales

From the Economics of Sales Manufactured Gas Report we can draw the following conclusions:

10. The evidence (of results prior to the war) shows that gas can be sold in substantial volumes for domestic and other purposes in spite of the competition from other fuels.
11. The gains made in M.C.F., Gross and Net Operating Revenues (for the six years prior to the war) vary widely as between individual companies.
12. The differences in results do not appear to be due to local competitive conditions, since companies similarly situated show a wide difference in the gains made.
13. The major reason for the widespread difference in performance seems to be due to local company policies.

Appliance Survey

14. The gas appliances available prior to the war, were, in general adequate to meet competitive appliance performance.
15. There seems a need for improving and strengthening certain parts of gas appliances so as to reduce servicing costs. This applies to both domestic and commercial appliances, the latter particularly needs drastic improvement from a servicing viewpoint.
16. There is a real need for a fully automatic safe lighting pilot. This lighting equipment should *never* require the use of a match.

Research

17. There is need for a Director or Coordinator of Research.
18. The industry needs to undertake immediately an aggressive gas production research program. The future of the manufactured gas division of our industry may well hinge on our ability to secure a low investment cost gas production plant. The economic position of certain natural gas companies could be improved if a low investment cost gas plant could be developed.
19. The industry also needs a distribution research program—on ways and means for lowering the distribution investment cost to serve fringe customers particularly—and the distribution investment costs to serve heating loads may well receive attention.
20. The industry needs to continue and enlarge its utilization research program. Especial attention should be given to the development of fully automatic lighting pilots. (No match ever required.) We should no longer allow our crude competitors to boast of the ability to use his equipment without ever having to use a match, when most all of our equipment requires the use of a match to light a pilot.
21. The industry should undertake to make a periodic (yearly or when new major developments occur) determination of the relative operating costs between gas and competitive fuels under normal conditions of service and use for the following purposes:

    a. Cooking—using gas vs. coal, oil, electricity and bottled gas.
    b. Water heating—when obtained under the following conditions:
        1. Tank heater—gas vs. electricity and oil.
        2. Automatically controlled storage water heater—gas vs. electricity and oil.
        3. Instantaneous—gas vs. electricity, oil and bucket a day coal.

4. Central heating plant—gas vs. coal and oil.
5. Kitchen stove—gas vs. coal and oil.

c. Refrigeration—gas vs. electricity, oil, bottled gas and ice.
d. Heating—gas vs. oil and coal.

The above findings and recommendations, while not official in every respect, are fully justified from the engineering and economic studies thus far completed. The summary of detail work done and action taken to date are as follows:

Early in 1943 a survey was made of certain members of the Technical Section for suggestions for research. The suggestions thus obtained were then summarized and sent to the entire membership for placing in order of importance and asking for additional research ideas. The major items suggested were

A. The Upgrading of Low B.t.u. Gases without the Use of Oil.
B. Partial Carbonization of Coal Prior to Utilization.
C. Upgrading of Coal into Liquid Fuels and Gases and the Conversion of Gases into Oily Substances.
D. Process for Utilization of Gas Production Facilities during Off-peak Days for Other Purposes.
E. Review of Perry Gas-Making Study.

Some forty replies, covering both manufactured and natural gas companies, were received but owing to the general importance of all of the research suggestions it was not possible to make an exact determination of those research ideas considered of *first importance*. About this time the Postwar Planning Cooperating Committee of the Technical Section was formed and the problem of determining the most important research projects was referred finally to a subcommittee headed by Lee Robey of Washington Gas Light Company. This committee after weighing the matter decided the problem too important to make a decision without a survey of the literature and asked for and have now received $8,000 for this work. The action taken, scope of the work and progress to date, is given in the following report from Mr. Robey:

Report on Topics Assigned to Institute of Gas Technology

At a meeting of the committee representatives in New York, June 5, 1944, the Subcommittee of the Postwar Planning Cooperating Committee was given four topics for investigation in order to determine a definite plan of active experimental research leading to conclusions of benefit to the gas industry, particularly in the postwar period. These topics and their scope follows:

A. Low investment cost gas production processes with specific reference to:

1. I.G.T. Fluidizing and Flash processes.
2. Loebell process.
3. American Cyanamid low temperature carbonization process.
4. Murphy process.

This survey will comprise in addition a review of many gas-making processes toward the selection of the few meriting experimental research.

B. Utilization of natural gas condensates (ethane-propane mixtures largely) by the gas industry with particular reference to gas making utilization, either by the manufactured gas industry or the natural gas industry, or both. This study will cover availability, shipment, storage, utilization for enriching (hot or cold), reforming and other uses which may benefit the gas industry. Special emphasis should be placed upon quantity, availability and cost delivered to East Coast.

C. Methods for the utilization of "off-peak" gas capacity for purposes other than the supply of gas to normal domestic and commercial users. These processes to use much of existing gas plant apparatus.

This study will develop uses or services by the gas plant which will reduce the amount of plant shut down in summer period.

D. Report on present "state of the art" on:

Fischer-Tropsch process
Hydrogenation of coal
Up-grading of low B.t.u. gases

This report will define these topics, bring the industry up to date on the subjects and will indicate the possible utilization of these processes for or by the gas industry.

As of September 1:

A. *Low Investment Cost Gas Production Apparatus*

Literature research on existing plants other than conventional water gas plants, is approximately complete. It is hoped that a preliminary draft of the report will be completed by September 30. A report has been received from E. J. Murphy on his work on up-grading blue gas by a catalytic method.

B. *Utilization of Natural Gas Condensates*

Preliminary draft on substitution of air gas mixtures for coal gas and carburetted water gas is being typed. Preparation of preliminary drafts on use of propane and butane supplementing peak loads, with both manufactured and natural gas, also reforming and catalytic gasification to $CO + H_2$ with subsequent cold enrichment to 550 B.t.u. will be completed by September 30, 1944.

It is hoped that arrangements will be made by September 15 for a report on the availability, costs, etc. of natural gas condensates, with a man well qualified to obtain the desired information.

C. *Utilization of Off-Peak Gas Capacity*

Since the last progress report, very little has been done. Some pertinent data has been obtained from U. S. Department of Commerce.

D. *Present "State of the Art" of Fischer-Tropsch and Coal Hydrogenation*

Literature search is approximately complete. Preliminary draft of report on coal hydrogenation is completed. Preliminary draft on Fischer-Tropsch is about 50% complete.

As can be seen from the foregoing report of progress, it is expected that two of the reports will be ready for criticism by October. The deadline set for the I.G.T. work was December 31, 1944.

All of the above work is being handled through the Institute of Gas Technology.

Methods for Increasing Capacities of Existing Equipment

In addition to the above, the Technical Section Cooperating Committee has under way a study of methods which have been used by companies to increase capacities. This study is under the general guidance of Mr. Pfluke of Rochester, with direct responsibility in turn assigned to Mr. Hartzel of the Water Gas Subcommittee who has enlisted the aid of George Steere and a large number of engineers throughout the industry in collecting data relative to various ideas which have been tried out and have resulted in an increase in capacity. A preliminary report was made by George Steere of methods in use for increasing *generating capacities*. This study will be extended and enlarged. We are hopeful that the Technical Section can obtain the following relative to these methods:

1. The amount of gain in M.C.F. per hour or per day from the new method or process.
2. The cost per M.C.F. to bring about the increase in capacity.
3. Whether or not the maximum gain possible from the new method was determined.
4. If the answer to No. 3 is "No" recommend action the industry might undertake relative to the various methods.

The following is a list of certain suggestions for increasing capacities and on which additional tests and research might well be undertaken to develop the maximum potentials possible with the new method or process or fuel.

Water Gas Sets

1. Increase in air volume where insufficient at present—(50% increase of capacity from 40" to 80" pressure).
2. Reducing the cycle from a four- or five-minute cycle down to three-minute cycle.
3. Use of butane in place of oil as enricher (hot enrichment).
4. Cold enrichment by butane.
5. Butane and air mixtures with gas.
6. Use of oil on the back run.
7. Use of oxygen.
8. Use of soda ash with generating fuel.
9. Use of preheated air and superheated steam.
10. Automatic grates and charging.

Coal Gas

1. Mixture of oil and coal.
2. Oil and steam into Back End of stopped End Retorts.
3. Butane or Propane cold enrichment.

This study of ways and means for increasing capacities of existing gas generating equipment is highly important as it is one way to meet the high investment cost to serve peak loads pending the results from reseach. However, most of the above deals with increasing capacities of the *gas generating equipment* and only one or two of the suggestions will lower the investment cost in condensers, purifiers, exhausters, etc. Therefore, we hope to learn in addition to the above what individual companies have done to increase capacities of those other parts of their plant investments and to develop the greatest gain possible with the new method or processes.

Separate Firing Waste Heat Boilers

In view of the relative size of the steam equipment investment to the total we might undertake to determine a safe and a practicable method for firing waste heat boilers during the make period. According to preliminary discussions with competent people this does not present too serious a problem. However, an experimental installation should be made. If a safe and inexpensive method can be developed it will help reduce boiler investment costs.

Separate Enriching Gas from Blue Gas

The industry might also explore the effect on plant investment costs and operating costs of separating the oil gas for enriching purposes from the blue water gas. By such a procedure we could achieve several things which should substantially lower plant investment costs. For instance—

1. By making only blue gas (no oil gas) and by using coke, the blue gas, as well as the blast gases, could be put through the waste heat boiler. This would help reduce steam generation investment and steam production costs.
2. The size of the Cottrell (if used) and of the condensers could be reduced as only the oil gas volume will contain tar and would need to be put through the Cottrell.
3. The size of the condenser for the blue gas could be reduced as no heat transfer allowance would have to be made for tar on the tubes.
4. The condenser on the blue gas could be used as a feed water heater.

This entire problem of separating the enriching gas from the blue gas might well receive careful study as it does offer some hope of lowering plant investment costs.

Butane or Propane

Based on the data we have thus far obtained butane or propane does not seem to meet our needs for a low investment or low operating cost fuel for peak loads. There are, however, some interesting possibilities which have not been fully explored that may show it is possible to use butane or propane to advantage. Hence there is urgent need for research on the effects of using butane or propane for peak loads and other purposes. The butane and propane industry are interested in the possible use of their product by the gas industry and are now carrying on some studies for our committee. We have also asked them to see what additional research they are willing to finance and to let us know wherein they will need our help.

One of the major hurdles to overcome is that of the cost for storage of the liquid fuel. The liquefied petroleum industry has developed a market for its product which is distributed uniformly throughout the year. They do not seem interested in supplying butane or propane for peak periods if it means making delivery at peak periods. This means the utility must provide storage tanks of sufficient capacity to allow uniform shipments throughout the year. This creates a serious financial investment problem in storage tanks. Here again the liquefied petroleum people are studying the most economical means for storage purposes. We should shortly have some data to report on this part of the problem.

Other phases of this which need additional study and may require some further research to determine the effect on over-all plant investment costs are as follows:

1. Butane or Propane for Hot Enrichment
2. Butane or Propane for Cold Enrichment
3. Butane or Propane-Air
4. Hydrocarbon Water Gas Process

In the matter of research let us repeat our industry can go forward with confidence only if we can find an economical peak load production gas plant. Hence we should immediately engage in research and study of all ideas which hold out hope for lowering a part or all of the investment costs inherent in gas production. We cannot —we must not—delay in attacking this vital problem.

Some Companies Build Loads

There is ample evidence to show that certain companies have been able to build gas loads with the relatively inadequate National Advertising in force prior to the war and without any National Sales Promotion Staff. There is no question then but that the industry can expand its sales with the help of the proposed enlarged National Advertising and Sales Promotion Program—provided each company will adopt sound local sales policies and use an adequate sales force. There is, however, no denying the fact that these larger sales, if largely heating loads, will be for a substantial portion of the manufactured gas companies a financial hazard, unless we can solve our production investment cost problems for peak loads. A low investment cost plant should also be of interest to those natural gas companies who buy gas on a demand charge basis and hence maintain standby plants for peaks as well as safety. Hence, our industry should give full

and unqualified support for the new one million dollar industry development program.

New and Improved Appliance Survey

The industry survey of postwar appliance needs, made under the direction of F. M. Rosenkrans, needs no elaboration. The survey has been completed and mailed to the interested parties. The manufacturers are using this survey with other regional surveys in planning new and improved postwar appliances. The committee has done all it can do at this time—it is up to all of us to see that the manufacturers with whom we do business take to heart the findings of the survey and incorporate the recommended improvements into their product.

Economics of House Heating

This study is going forward slowly but surely. Three of the four economic studies dealing with production plant investment and operating costs on house heating to be made by individual companies have been completed. The fourth has been held up due to local company problems but we are promised an early completion.

The Distribution Committee is attempting to collect data as to diversity of various loads to be used in distribution design. They will also prepare a suggested basis for a study of the Economics of Distributing Gas for Heating Purposes.

The data thus far obtained seem to indicate that our major problem is plant investment to meet peak demands. The nature of this investment has been previously outlined under Research. Based on data thus far developed the distribution investment does not seem to present a serious problem either among present customers or for customers in new areas.

Economics of Sales

The Economics of Sales Study—Manufactured Gas is complete and has been distributed as Report No. 4, A. G. A. Postwar Planning Committee. The Economics of Sales—Natural Gas is going forward under Mr. Vandagriff of the Laclede Gas Light Company, St. Louis. The natural gas companies can help expedite this study by cooperating with Mr. Vandagriff in getting the needed data to him on their own companies.

Other Engineering and Economic Studies

The following additional studies have been given to Mr. Pfluke, chairman, Production Committee of the Technical Section, by the Postwar Planning Cooperative Committee of the Technical Section.

Use of Oxygen

A preliminary report on the use of oxygen for gas making has been made by Dr. Steve Burke, chairman of a subcommittee to study this problem. The preliminary findings seem to indicate that we may have reached the time when oxygen can be used economically.

The Most Economical B.t.u. Gas To Make

Mr. Pfluke reports he has had some difficulty in sufficiently isolating the problem so as to reduce it to a set of conditions which would be of value to the industry. He had hoped to clear these difficulties at the time of the Production Conference in June but illness prevented his presence so this study is held up temporarily.

Director or Coordinator of Research

The committee, in view of the importance of research to our future, and of the need to carry on studies and research among the gas companies in addition to those to be financed through the Institute of Gas Technology and other sources, has recommended the employment of a full time Director or Coordinator of Research. This matter was submitted to the Coordinating Committee on Research which recommended as follows:

First: To recommend to the Managing Committee of the Manufactured Gas Department that provision be made in the Association budget next year for the appointment to the Association Staff of a Coordinator for Gas Production Research, such research to be considered and determined by the department.

Second: That the matter of an over-all Research Director or Coordinator be related to the proposed enlarged program for Association research, and that action be taken at that time.

It is hoped that the Manufactured Gas Department will act favorably on these recommendations.

In conclusion, the committee will welcome suggestions for research and engineering studies and especially does it ask for criticism of the work done and recommendations made to date. The committee desires to be of help to the industry in seeking a solution to our major problems and believes that only through a frank and critical appraisal of the work done and proposed can this be realized. So let's hear from you.

FPC Institutes Study of Natural Gas Use

THE Federal Power Commission announced September 28 its order instituting investigation into:

(1) the extent and probable life of the nation's natural gas reserves;
(2) the present and probable future utilization of natural gas for domestic, commercial, and industrial purposes;
(3) the extent, character, and results of the competition of natural gas with other fuels; and
(4) such related matters as may be helpful to the Commission in its administration of the Natural Gas Act or in determining what additional legislation, if any, should be recommended to Congress.

The Commission directed that a copy of the order be sent to the Governors, regulatory commissions, and conservation commissions of each of the States, to the Interstate Oil Compact Commission, to the National Association of Railroad and Utilities Commissioners, to each natural gas company, and to coal, railroad, and labor organizations and other interested parties. Recipients have been invited to file with the Commission, by October 31, 1944, statements of their views and suggestions as to the scope of the investigation and the procedure which should be followed.

Natural Gas Proceedings Available

PROCEEDINGS of the Natural Gas Spring Conference held May 11-13, 1944, at French Lick, Indiana, have been published and distributed by the American Gas Association. This volume of 176 printed pages contains all reports, addresses and papers presented at the first annual conference sponsored by the recently reorganized Natural Gas Department.

By far the greater part of these 1944 Proceedings is devoted to two valuable symposiums; one on natural gas storage, the other on long distance transmission of natural gas. Comprehensive illustrated reports giving the latest developments in underground storage and long distance pipeline practice are presented by operating executives of major gas companies.

A limited number of copies is available from the American Gas Association, 420 Lexington Ave., New York 17, N. Y., at a cost of $2.00 to members; $4.00 to nonmembers.

Part of group which prepared the section on All-Year Air Conditioning. Left to right: J. J. Wholey, H. P. Morehouse, A. E. Vroome, H. S. Birkett, and C. George Segeler

Subcommittee on Publicity and Specifications of Committee on Housing. Left to right: F. W. Williams, Leon Ourusoff, chairman, Committee on Housing, H. P. Morehouse, chairman, Subcommittee on Publicity and Specifications, S. P. Cobb, W. J. Schmidt, and C. George Segeler

Part of the group which prepared the section on Gas Heating. Left to right: L. G. Paulding, E. J. Gerridge, H. P. Morehouse, H. M. Woolman, Jr., Kimber DeHart, Henry Rohrs

Three of the five working committees which prepared the first draft of the manual

Architects' Manual Nears Completion

THE "Architects' Manual of Modern Gas Service" which is being prepared by the Subcommittee on Publicity and Specifications of the Committee on Housing, Residential Gas Section, American Gas Association is now nearing completion. The work has progressed to a point where the first draft of all sections except Section VI on Kitchen Planning have been finished and are ready for field review prior to final printing. Many copies are already in the hands of gas companies for the criticism and advice of their various interested departments.

The work of preparing this first draft has been done by small committees of individuals after which the developed material was reviewed in detail by the Subcommittee on Publicity and Specifications which is under the chairmanship of H. P. Morehouse. The subcommittee's work is sponsored by the Committee on Housing headed by Leon Ourusoff. The major part of the detail of handling this big undertaking was carried on by F. W. Williams of headquarters staff.

Following is a list of the committee groups and their assignments:

Section I *Foreword*

Prepared by Leon Ourusoff.

Section II *Gas Piping*

Section III *Chimneys, Flues and Vents*

Prepared by a Committee of the Metropolitan Service Managers Council, New York City.

S. P. Cobb, *Chairman* — J. J. Martin
J. J. Wholey — G. M. Nash

Section IV *Gas Cooking*

Prepared by Subcommittee on Publicity and Specifications.

Section V *Gas Refrigeration*

Prepared by R. A. Malony and reviewed by the Subcommittee on Publicity and Specifications.

Section VI *Kitchen Planning*

This section was assigned much later than the other sections and will be ready for review in the near future. It is being developed by the following subcommittee:

Frank L. Moon, *Chairman*
Leon Ourusoff
R. A. Canniff
H. Vinton Potter
Harry A. Swenson

Section VII *Gas Water Heating*

Prepared by W. J. Schmidt and reviewed by the Subcommittee on Publicity and Specifications.

Section VIII *Gas Heating*

Preparing by a committee of the Metropolitan Gas Heating and Air Conditioning Council of New York City with the following personnel:

H. M. Woolman, Jr., *Chairman*
Kimber DeHart — L. G. Paulding
E. J. Gerridge — H. Rohrs
H. P. Morehouse — J. J. Wholey

Section IX *All Year Air Conditioning*

This section was prepared under the direction of A. E. Vroome of Ebasco Services Inc. who have had the benefit of wide experience with this market through their operating companies. The committee personnel follows:

A. E. Vroome, *Chairman*
T. H. Bean — J. J. Martin
H. S. Birkett — C. A. McKinney
J. A. Gilbreath — R. D. McNeice
G. E. May — H. P. Morehouse
D. A. Strickland

Section X *Modern Home Laundries*

Prepared by R. A. Malony and reviewed by Subcommittee on Publicity and Specifications.

Section XI *Basements and Utility Rooms*

Prepared by F. W. Williams and H. P. Morehouse and reviewed by Subcommittee on Publicity and Specifications.

Section XII *New Developments*

Material will be prepared for this section as new developments occur.

Through a wide sampling of gas company opinion it is hoped to compromise differences in practice to the point where this material can be used by all architects and builders to improve installation practices.

An important feature of the Manual is the standardization of manufacturers' appliance data sheets so that the user of the Manual can quickly find dimensional and other needed specification data. All domestic gas appliance manufacturers have been furnished with a specimen data sheet and many have already expressed their desire to make these data sheets available.

It is the aim of the Committee on Housing and the Subcommittee on Publicity and Specifications to make available a handbook which will accomplish three aims:

(1) To put into the hands of architects and builders, through the utilities, a reliable Manual which will cover all phases of the use of gas in the home and will guide them in selection of equipment and recommended installation practices.

(2) Impress the architects and builders with the alertness and progressiveness of the gas industry by making the Manual attractive, complete and accurate.

(3) Supply the gas industry with a vehicle by which they can make frequent, logical and helpful callbacks on architects and builders by keeping the Manual up-to-date.

Such a program can only be attained if we have the constructive help of all interested parties. The committee has set up basis for approach and discussion in the first draft. It looks to the industry for guidance so that the finished copies may accomplish the above aims.

Herringshaw Gives Safety Views

AT the recent National Safety Council Public Utilities Section Meeting of October 5 at Chicago, D. E. Herringshaw, general supervisor in charge of gas operations, engineering and construction, Consumers Power Company, Jackson, Michigan, spoke on "Safe Practices as Related to the Gas Leak Survey."

Mr. Herringshaw discussed the need for, the various methods used, and equipment required, as well as the advantages to the utility of these periodic surveys. He also stressed the need for close cooperation with associate utilities, police and fire departments. It is important that these associate utilities make suitable tests for contaminated atmospheres before undertaking work operations on underground structures.

Mr. Herringshaw reminded the group that, in spite of the fact that considerable progress has been achieved by the gas industry in combating accidents since the "early days," that the so-called, "simple" accidents of the "slip and fall" type, involving the most elementary of safety rules, still contributed considerably to the total accident toll and must accordingly not be overlooked.

In the discussion that followed, reference was made to the 1941 A. G. A. Proceedings, page 544, article "Preliminary Report of a Survey of New Developments, Tools, Methods and Materials."

Allentown Bethlehem Wins Security Award

THE United States Office of Civilian Defense recently presented to the Allentown Bethlehem Gas Company the National Security Award signifying extraordinary achievement in establishing and maintaining security through protective measures against air raids, fire, sabotage and avoidable accidents.

After a welcome to the 125 employees and guests by John A. Frick, president of the Allentown Bethlehem Gas Company, Col. Henry A. Renninger made the presentation of the award and flag bearing the official National Security emblem. Andrew S. Morgan, safety engineer, accepted the award for the gas company, assuring Col. Renninger that the vigilance and protective measures now being practiced will continue as long as the need for security may require.

W. G. B. Woodring, operating manager, presented lapel emblems to four employees whose combined length of service with the gas company totals 151 years. George Hoover, sales department, has served the company for 40 years, Adam Bassicci, operating department, has 39 years to his credit, and Lloyd W. Wieder, purchasing agent, boasts 31 years of service. The fourth emblem was pinned on John A. Frick's lapel, who, as Mr. Woodring pointed out, enjoys the unique distinction of heading the company, and of having the longest record of service, 41 years. Lapel pins were distributed to the balance of the employees at the conclusion of the ceremonies.

Mid-Southeastern Gas Association Meeting

THE annual meeting of the Mid-Southeastern Gas Association will be held in the Sir Walter Hotel, Raleigh, N. C. on Friday, November 17. The program will include a meeting of manufacturers' representatives as well as a streamlined presentation on industry problems.

Among the speakers tentatively announced are: Lloyd Ginn, chairman, A.G.A.E.M. Sales Promotion Committee; H. Vinton Potter, director, A.G.A. coordinated Kitchen Program; Alexander Macomber, director, Gas Division, Office of War Utilities, Washington, D. C.; and M. E. Shea, president, Lynchburg Gas Co., Lynchburg, Va.

Col. Henry A. Renninger, left, is shown with four Allentown-Bethlehem Gas Company employees whose combined length of service totals 151 years. Beside Colonel Renninger is Lloyd W. Wieder, purchasing agent, 31 years, Adam Bassicci, operating department, 39 years, George Hoover, sales dep't, 40 years, and at right is John A. Frick, president, who enjoys the unique distinction of heading the company, and of having the longest record of service, 41 years

Product of the first canning show of the Consolidated Gas, Electric Light and Power Co. of Baltimore, this freak eggplant grown by H. F. Carr, supervisor of appliance service, was the center of much interest. It was exhibited in the neighborhood harvest show sponsored by the Civilian Mobilization Committee

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Equitable Gas Wins Safety Honors

TWO divisions of the Production and Transportation Department, Equitable Gas Company, Pittsburgh, have been given honor certificates by Pennsylvania Department of Labor and Industry for safety records up to July 31. Up to that date, Division G with 70 men piled up a total of over half a million man-hours without a single lost-time accident—actually the total was 533,156—since June 30, 1941.

The Pennsylvania Compressing Stations Division, with 50 men, had no lost-time accident since February 10, 1942, with a total of 295,657 man-hours.

Predicts Battle of Fuels in Postwar

POSTWAR will see a hot fight on the fuel front. Art Brown writing in the October *Nation's Business* under the heading "Coming Battle of the Home Fuels" makes that prediction and proceeds to tell why. His article, covering the hard and soft coal, oil, gas and electricity fields, gives each industry's own interpretation of its postwar prospects and the new developments with which each hopes to capture a major share of the fuel market.

Personal AND OTHERWISE

Named Research Director of Bryant Heater

William R. Teller

APPOINTMENT of William R. Teller as director of research and development of The Bryant Heater Company of Cleveland was announced October 18 by Lyle C. Harvey, president.

Mr. Teller has been assistant director of the American Gas Association Testing Laboratories in Cleveland, where he has served in various capacities since 1930. He was graduated from Case School of Applied Science in 1927 with the degree of bachelor of science in mechanical engineering and spent the following three years gaining field experience in gas and oil production in western Kentucky.

Shortly after Pearl Harbor, Mr. Teller was placed in charge of the newly organized war products department of the A. G. A. Testing Laboratories. He was directly responsible for development of numerous controls and instruments for the Army and Navy and the Office of Scientific Research and Development. He was also in charge of quantity production of automatic continuous flow oxygen regulators for high altitude flying.

A greatly expanded research program is being undertaken by The Bryant Heater Company under Mr. Teller's direction. It will embrace improvements in gas heating equipment, range lighters, controls and appliances. The company is a member of Dresser Industries, Inc.

Taylor Resigns, OWU Reorganizes

PAUL R. TAYLOR has resigned as director of the Natural Gas Division, Office of War Utilities, War Production Board, effective October 7 to return to his former position as vice-president of Consolidated Electric & Gas Co., New York, N. Y.

Coincident with Mr. Taylor's resignation, Edward Falck, director of OWU, announced the establishment of a Gas Division, replacing the former Natural Gas and Manufactured Gas Divisions. Organization and executive personnel of the Gas Division were announced as follows:

Director—Alexander Macomber
Deputy Director—A. W. Lundstrum
Natural Gas Supply and Allocation Section: Chief—C. L. Brockschmidt
Manufactured Gas Supply Section: Chief—Earl R. Hamilton
Manufactured Gas Allocation Section: Chief—Fred M. Kimball
Materials Distribution Section: Chief—Frederick B. Tracy

Ruoff Wins U.S. Labor Dept. Citation

George J. Ruoff

AT a Department of Labor meeting held in New York City, September 18, George J. Ruoff, safety engineer of the Central Hudson Gas & Electric Corporation, was honored by receiving a citation signed by Frances L. Perkins, Secretary of Labor, for his work in the prevention of accidents in war plants in the Hudson Valley area. The presentation was made by the Honorable Edward Corsi, industrial commissioner of the New York State Department of Labor.

The citation reads: "To George J. Ruoff in appreciation of the notable contribution you have made to our national campaign against industrial injuries at a time when every man-hour of American labor is urgently needed for Victory and each work accident prevented is a battle won, this acknowledgment is gratefully presented." (Signed: Frances L. Perkins, Secretary of Labor.) A lapel decoration accompanied the citation.

For the past four years Mr. Ruoff has served as a special agent of the United States Department of Labor on the National Committee for Conservation of Manpower in War Industries. His work has been as consultant in health and safety in industries handling war contracts in the central Hudson Valley.

In addition to his duties as safety engineer with Central Hudson and with the Department of Labor, Mr. Ruoff is chairman of the Accident Prevention Committee of the American Gas Association.

Quinn Heads Advertising Copy Committee

J. J. Quinn

H. CARL WOLF, chairman of the American Gas Association's Committee on National Advertising, announces the following changes in the personnel of the subcommittee on approval of domestic gas copy:

J. J. Quinn, sales manager of the Boston Consolidated Gas Co., and New England representative on the Committee on National Advertising, has been elected chairman of the committee, succeeding W. M. Jacobs, manager of general sales, Southern California Gas Co., Los Angeles, who was obliged to resign because of travel difficulties. Mr. Jacobs will continue to serve as a member of the committee.

Active in the gas industry for more than thirty years, Mr. Quinn is past president of the New England Gas Association, the Guild of Gas Managers and the Quincy Rotary Club. He is also a director of the Advertising Club of Boston.

After an absence of some time, Henry Obermeyer, assistant vice-president, Consolidated Edison Company of New York, rejoins the subcommittee on approval of domestic gas copy, as well as the national advertising committee of the Association's Industrial & Commercial Gas Section.

Elected to Board

THE Board of Directors of Public Service Corporation of New Jersey, September 19 elected T. Wilson Van Middlesworth a director, to fill a vacancy on the board occasioned by the death of George Barker.

Mr. Van Middlesworth has been with Public Service and predecessor companies forty-two years and has been treasurer since 1917. He is a member of the Boards of Directors of the subsidiary operating companies.

Banks and Hulcy on New Committee

AT a meeting of the Managing Committee of the Natural Gas Department, American Gas Association, October 5, two new appointments were made to the Committee on Conservation and Utilization of Natural Gas, Walter C. Beckjord, chairman. Named to the ten-man committee were F. M. Banks, Southern California Gas Co., Los Angeles, and D. A. Hulcy, Lone Star Gas Co., Dallas.

Brett On Niagara Hudson Board

George J. Brett

THE board of directors of Niagara Hudson Power Corporation on October 2 abolished the office of chairman of the board, from which post Paul A. Schoellkopf recently resigned, and voted to reduce the membership of the board from sixteen to fourteen. George J. Brett, controller of the company, was elected a director.

Mr. Brett's association with the Niagara Hudson System companies and their predecessors extends over a period of twenty-seven years. He was first employed by a System company in 1917 in the accounting department of The Niagara Falls Power Company. He later became chief accountant of that company and in 1930 was elected its assistant treasurer.

In 1932 Mr. Brett was elected treasurer of the Buffalo, Niagara and Eastern Power Corporation and also treasurer of its subsidiary companies, and a year later became assistant controller of Niagara Hudson Power Corporation. He has been controller of Niagara Hudson Power Corporation since 1941.

Bertolette Named

NORMAN B. BERTOLETTE, president of the Hartford Gas Company, last month was elected a member of the Boards of Directors of The Travelers Insurance Companies: The Travelers Insurance Company, The Travelers Indemnity Company, The Travelers Fire Insurance Company and The Charter Oak Fire Insurance Company.

To Direct Re-employment of Utility's Returning Servicemen

Col. Thomas

CONSOLIDATED EDISON COMPANY of New York, Inc., has announced the appointment of Lieutenant-Colonel Atherton Thomas as assistant personnel director, with the assignment of fitting Consolidated Edison employees discharged from military service into jobs with special consideration of their experience, new skills and knowledge gained during the war. Colonel Thomas is expected to be released from the Army so he can take up his duties with the company on November 1.

Engineer of forecasts and statistics for the company, a graduate of the Massachusetts Institute of Technology, Colonel Thomas held a Reserve commission as Major, Coast Artillery, when he entered active service in July, 1942. He became assistant post quartermaster at the Atlantic City Basic Training Center of the air forces. Later he was made coordinating officer of troop movements, adjutant and personnel officer of the Basic Training Division. He was promoted to Lieutenant-Colonel and assigned as S-1, in charge of all personnel at the Atlantic City post. For more than a year he had the job of reassigning men who finished a tour of military service in Europe, came home for furlough, and were called back to duty. There were many thousands of them and each had to be taken up on the individual basis.

"In his Army work Colonel Thomas has been dealing with conditions and just the kind of individuals he will be called on to handle in this new job with the company," said Hudson R. Searing, executive vice-president, in announcing the appointment. "Approximately 4,000 people from Edison System Companies entered the armed forces. Obviously they will come back to their work very different men from what they were when they went into uniform. Clerks and salesmen have become commissioned officers with distinguished service records. Inside men have lived a hard outdoor life and have learned mechanical skills. Will they want to take up the same jobs they left? Can they be placed in different jobs? Can other jobs be found for them within the employment possibilities of the companies in consideration of what they have done and learned?

"We believe that the answers to these questions and many others like them can be found with advantage to the veterans and our companies. We want the returning servicemen and women to have every opportunity for better jobs and we think the companies can benefit by wise utilization of the new qualifications the veterans have to offer. We think Colonel Thomas with his company background and his Army personnel experience is exceptionally well qualified to help the men work out the right answers to all these questions."

Equitable Promotions

John H. Newlon

John V. Goodman

JOHN HAWKER NEWLON has been appointed assistant to the operating manager, Equitable Gas Company of Pittsburgh, Pa., effective September 1, 1944. Mr. Newlon entered the company's service early in 1924 as fieldman in the Geological Department. In 1927, he was made geologist and in 1931, superintendent of production and geologist, a position he has held until his recent appointment.

Succeeding Mr. Newlon, as superintendent of production and geologist, is John V. Goodman. Mr. Goodman entered the company's service in September 1927 as a fieldman. In 1930 he was appointed assistant geologist, remaining in that capacity until his recent appointment.

Hirose to Newsweek

MALCOLM MUIR, president and publisher, and Theodore F. Mueller, vice-president and general manager, of *Newsweek*, announce the appointment of Arthur P. Hirose as director of promotion and research, effective October 15th.

Mr. Hirose is resigning as director of promotion and market research, McCall Corporation, publishers of *McCall's* and *Redbook* Magazines. He has been connected with the McCall organization for the past ten years. Mr. Hirose is a member of the Promotion Advisory Committee of the Magazine Advertising Bureau, a member of the Marketing Committee of C. E. D. and is research coordinator of the War Advertising Council.

In 1941, Mr. Hirose won the Research Medal in the Annual Advertising Awards (formerly the Bok-Harvard Awards) for a study of the gas appliance market. During 1942 he served as consultant to the office of Price Administration in Washington.

Brewer Reelected

ORVILLE W. BREWER, controller of the American Gas Association, was reelected treasurer of the Controllers Institute of America at that organization's annual meeting in Chicago, October 2. It is Mr. Brewer's fourteenth consecutive term as treasurer.

Buchanan Advanced by Hartford Gas Co.

THE Board of Directors of The Hartford Gas Company at its meeting September 21, elected Paul R. Buchanan vice-president and general manager of the company. Mr. Buchanan had previously held the position of vice-president in charge of the operating department.

A native of Honeybrook, Pennsylvania, he has been with the company since April 1, 1915.

After graduating from Cornell University in 1910, he went with the United Gas Improvement Company as cadet engineer being later employed by the Kansas City Gas Company for two years in its distribution department, going to the Hartford Gas Company as superintendent of gas manufacture and production. He was elected its vice-president on January 16, 1934.

Yuda Leaves A.G.A.

FRANK E. YUDA, a member of the American Gas Association's headquarters staff for the past 15 years, resigned October 20 to join the advertising department of the Nassau Daily Review-Star.

Starting in the mailing department in November 1929, Mr. Yuda advanced to the head of that department, following which he was in charge of the stock department and order and purchasing clerk. For the past five years he has been in charge of membership records and mailing lists.

He was educated in Catholic and public schools in Jamaica, New York.

Poe Opens Offices

E. Holley Poe

E. HOLLEY POE, former executive vice-president of Petroleum Reserves Corporation, Washington, D. C., has opened offices at 70 Pine Street, New York City, with branches at 231 South La Salle Street, Chicago, and 306 National Savings and Trust Bldg., Washington. H. C. Orton is in charge of the Chicago office and Samuel H. Crosby heads the office in Washington.

Mr. Poe, his associates and staff, are engaged in consulting and advisory work concerning all phases of gas utility operation.

A native of Oklahoma, Mr. Poe grew up in the oil and gas industries and has been associated with various oil and gas companies throughout most of his business career.

In 1937 he was selected to head the Natural Gas Section of the American Gas Association. On June 1, 1942 he was called to Washington to become director of the Natural Gas and Natural Gasoline Division, Petroleum Administration for War, and remained in this position until October 1943 when he took over the executive direction of Petroleum Reserves Corporation at the personal request of Secretary Ickes. His work with that corporation was successfully completed in March 1944.

Chubb Joins Pacific

T. M. CHUBB has been appointed chief gas engineer and assistant secretary of Pacific Lighting Corporation, with headquarters in Los Angeles, according to an announcement by LeRoy M. Edwards, vice-president and general manager of the company.

Mr. Chubb has been associated with the Office of War Utilities, Natural Gas Division, in Washington, D. C., as western area chief for almost two years. For six years prior to that time, he was senior engineer of the California Railroad Commission, Gas and Electric Division. Previously he had been in the natural gas utility business in California.

Obituaries

JOHN THOMAS TIERNEY

JOHN THOMAS TIERNEY, Pittsburgh industrialist, president of Koppers United Company and chairman of the board of Koppers Company, died October 25 after a brief illness. He was sixty-one years old.

Mr. Tierney was born in Woodland, Wis., and received a Bachelor of Science Degree in mechanical engineering in 1908. He started his career with the Laclede Gas and Light Company of St. Louis, and remained with that company in various capacities until 1916, when he joined the Koppers organization.

His first post with Koppers was as superintendent of Seaboard By-Products Coke Company at Kearny, N. J. He was made manager of the Kearny plant in 1923, and three years later he was named vice-president of Koppers Gas and Coke Company.

In 1933 Tierney was elected president of Koppers United, and Koppers Co. In July, 1939, he became chairman of the executive committee of the board of trustees of Koppers United Company, continuing as president. He was also chairman of the board of Koppers Company, principal operating unit of the Koppers organization.

War Bonds are the fighting man's guarantee that the folks back home stand solidly behind him.

DANIEL H. PERKINS

Daniel H. Perkins

DANIEL H. PERKINS, 50, superintendent of the gas department of the San Diego Gas & Electric Company since 1923 and widely known on the west coast for his technical research work in the Pacific Coast Gas Association, of which he was a director, died October 4.

A native of Fremont County, Iowa, Mr. Perkins had completed 30 years of service with the San Diego utility whose employment he entered as a clerk in 1914, a year after his arrival in San Diego. He served in World War I as a lieutenant. Upon his return to the company he rose to the rank of foreman in the gas distribution department in 1920; to the rank of inspector in 1921; assistant superintendent in 1922, and full superintendent on October 23, 1923.

Mr. Perkins was very active in Pacific Coast Gas Association work and as chairman of the technical section of that organization, he directed research work in gas regulators, pipe corrosion and the manufacture of high B.t.u. manufactured gas.

THOMAS R. CRUMLEY

THOMAS RALSTON CRUMLEY, president of the Jersey Central Power & Light Company of Asbury Park, N. J., died October 5. His age was 66.

Mr. Crumley was born in Wayne County, Pa., a son of David and Mary Coleman Crumley. He attended the Radnor High School and took a degree of B.S. in electrical engineering at Pennsylvania State College in 1901.

After a career as a utility and railway executive in various capacities he was made chief engineer of the General Engineering & Management Corporation of New York City in 1915 and in 1921 was promoted to the presidency of the firm. He became president of the Jersey Central Power and Light Company in 1928.

T. E. ROOKE

THOMAS E. ROOKE, 57, district manager of the Geo. D. Roper Corp. in the Iowa-Nebraska territory, died October 5.

Mr. Rooke's first association with the gas industry was with the Cedar Rapids Gas Company, Cedar Rapids, Iowa. He joined the Roper organization in 1918, covering at various times New York State, Michigan, Iowa, Nebraska, Colorado, Montana, Wyoming, Idaho and Utah.

Dean of Roper's field organization in point of service, he was active in Association committee work, serving as president of the Mid-West Gas Association in 1943.

NEW MEMBERS OF THE A. G. A.

GAS COMPANIES

Delegates

Fuelite Natural Gas Corp., Lexington, Mass. ..... H. Emerson Thomas
The Tri County Gas Co., Holcomb, Kansas ..... J. W. Ward

MANUFACTURER COMPANIES

A. C. Mfg. Co., Van Nuys, Calif. ..... E. S. Steel
The Aviation Corp., New York 17, N. Y. ..... Col. Philip J. Reilly
Brandon Finney, Hollywood 46, Calif. ..... Brandon Finney
Eastman Mfg. Co., Manitowoc, Wis. ..... J. Peter Eastman
King Stove & Range Corp., Brooklyn 31, N. Y. ..... M. Herbert Koeppel
Kitchen Maid Corp., Andrews, Ind. ..... J. W. O'Harrow, Jr.
St. Charles Mfg. Co., St. Charles, Ill. ..... Philip P. Mosher
Commonwealth Company, Alhambra, California ..... Lynn B. Cayot
The Ironton Fire Brick Company, Ironton, Ohio ..... C. E. Bales
Mid-Continent Metal Products Co., Chicago, Ill. ..... S. K. Zitzewitz
The Murray Corporation of America, Detroit, Mich. ..... Alfred H. Haberstump

INDIVIDUAL MEMBERS

R. E. Adwers ..... Northern Natural Gas Co., Minneapolis, Minn.
Robert C. Amero ..... Floridin Company, Warren, Pennsylvania
Wade T. Benton ..... Washington Gas Light Company, Washington, D. C.
George Brett ..... Niagara-Hudson Power Corp., New York, N. Y.
A. G. Bur ..... Wisconsin Public Service Corp., Green Bay, Wisconsin
Richard H. Bussard ..... Washington Gas Light Co., Washington, D. C.
Robert G. Capell ..... Floridin Company, Warren, Pennsylvania
Frank T. Carpenter ..... Phillips Petroleum Co., Bartlesville, Oklahoma
Benjamin F. Childs ..... Washington Gas Light Co., Washington, D. C.
H. R. Cloud ..... Florida Power Corporation, Orlando, Florida
Carl H. Collins ..... American Meter Co., Kansas City, Missouri
Charles A. Collins ..... Washington Gas Light Company, Washington, D. C.
Thomas J. Conway ..... Minneapolis Gas Light Co., Minneapolis, Minn.
Roland A. Coutu, Jr. ..... Soil & Vegetation Survey Associates, Briarcliff Manor, N. Y.
George W. Cubitt ..... Southern California Gas Co., Los Angeles, Calif.
Thomas E. Darby ..... The Ohio Fuel Gas Company, Columbus, Ohio
Carol A. Dickes ..... Southern California Gas Co., Los Angeles, Calif.
James F. Donnelly ..... A. O. Smith Corporation, Milwaukee, Wisconsin
P. R. Dunbar ..... Seattle Gas Company, Seattle, Washington
Frank J. Egan ..... James B. Clow & Sons, Chicago, Illinois
Harry Eisenberg ..... Worcester Gas Light Co., Worcester, Mass.
S. G. Eskin ..... Grayson Heat Control, Ltd., Los Angeles, Calif.
J. W. Essock ..... Sears, Roebuck and Co., Chicago, Illinois
John S. Everett ..... New England Public Service Co., Augusta, Maine
C. A. H. Fairbank ..... George Glover & Company, Limited, Chelsea, London, England
James Carl Fisher ..... Consolidated Gas Elec. Light & Power Co. of Baltimore, Baltimore, Md.
Norman D. FitzGerald ..... Great Lakes Carbon Corp., New York, N. Y.
David Flinn ..... Fort Smith Gas Company, Fort Smith, Arkansas
Philip J. Franz ..... The Derby Gas & Electric Co., Derby, Connecticut
Rufus E. Fulreader ..... Rochester Gas & Electric Corp., Rochester, N. Y.
William H. Greene ..... Worcester Gas Light Co., Worcester, Mass.
W. L. Greer ..... Pacific Gas & Electric Co., San Francisco, Calif.
Robert R. Gros ..... Pacific Gas & Electric Co., San Francisco, Calif.
J. Ernest Gwilliam ..... NEGEA Service Corporation, Cambridge, Mass.
Harold L. Hayden ..... Zenith Gas System, Inc., Alva, Oklahoma
Fred W. Heimerdinger ..... Kansas City Gas Co., Kansas City, Missouri
Ed Herlitz ..... Pacific Gas & Electric Co., San Francisco, Calif.
Luther Lee Holtzclaw ..... Washington Gas Light Co., Washington, D. C.
Robert Homan ..... Lincoln Brass Works, Detroit, Michigan
Alvin M. Hutchison ..... Ohio Fuel Gas Co., Columbus, Ohio
Daniel L. Jerman ..... Pittsburgh Equitable Meter Co., Pittsburgh, Pa.
A. T. Kelly ..... Pacific Gas & Electric Co., San Francisco, Calif.
A. Abbott Laughton ..... Malden & Melrose Gas Light Company, Malden, Mass.
George Edward Lewis ..... Washington Gas Light Co., Washington, D. C.
Joseph P. Licciardi ..... New Orleans Public Service Inc., New Orleans, La.
M. C. Madsen ..... Northern Natural Gas Co., Omaha, Nebraska
Harold A. Martinson ..... Boston Consolidated Gas Company, Boston, Mass.
Wm. D. Mayfield ..... Lippincott Co. Inc., San Francisco, Calif.
William A. McCutcheon ..... Washington Gas Light Co., Washington, D. C.
Anne V. McManus ..... The East Ohio Gas Co., Cleveland, Ohio
Benjamin Miller ..... Institute of Gas Technology, Chicago, Ill.
Herbert E. Mills ..... 401 Newport Ave., Detroit, Mich.
Harold Johannos Nachman ..... Washington Gas Light Co., Washington, D. C.
Raymond N. Niehouse ..... Pennsylvania Public Utility Commission, Harrisburg, Pa.
A. J. Noia ..... Pacific Gas & Electric Co., San Francisco, Calif.
Alpheus Oakes ..... Public Service Electric & Gas Co., Newark, N. J.
Paul E. Peters ..... Linde Air Products Co. (Laboratory), Tonawanda, N. Y.
Frank S. Pexton ..... Kansas City Gas Co., Kansas City, Mo.
F M. Pickering ..... Economy Governor Co., Anderson, Indiana
David R. Putnam ..... Northern States Power Co., St. Paul, Minnesota
Chester A. Pynn ..... A. O. Smith Corp., Newark, N. J.
Paul Edward Reichardt ..... Washington Gas Light Co., Washington, D. C.
James Rolin Renfro ..... City of Corpus Christi, Corpus Christi, Texas
William E. Scorah ..... National Gas & Electric Corp., New York, N. Y.
John J. S. Sebastian ..... Institute of Gas Technology, Chicago, Ill.
Russell A. Seifert ..... The Cincinnati Gas & Electric Co., Cincinnati, Ohio
Ruth M. Severson ..... The Peoples Natural Gas Co., Pittsburgh, Pa.
Chas. J. Sevey ..... Southern California Gas Co., Los Angeles, Calif.
Charles James Shuttleworth ..... Mississippi River Fuel Corporation, St. Louis, Mo.
H. H. Siert ..... Northern Natural Gas Co., Omaha, Nebraska
Edwin Dale Smith ..... Washington Gas Light Company, Washington, D. C.
L. M. Spence ..... Council Bluffs Gas Co., Council Bluffs, Iowa
Henry K. Stark ..... Kentucky Utilities Company, Lexington, Ky.
George R. Steers ..... Boone County Coal Corporation, Philadelphia, Pa.
Charles W. Stewart ..... San Diego Gas & Electric Co., San Diego, Calif.
A. P. Stryker ..... Pacific Gas & Electric Co., San Francisco, Calif.
Charles D. Taft ..... Kansas City Gas Co., Kansas City, Mo.
H. F. Trusler, Jr. ..... Koppers United Co., Monaca, Pennsylvania
Joseph V. Turpish ..... New York and Richmond Gas Company, S. I., N. Y.
A. L. Vaughan ..... Northern Natural Gas Co., Omaha, Nebraska
M. C. Vinyard ..... Southern California Gas Co., Los Angeles, Calif.
Dorothy M. Weaver ..... The East Ohio Gas Co., Canton, Ohio
Willard E. Wechter ..... Worthington Pump & Machine Corp., Buffalo, N. Y.
Charles W. Wenger ..... Washington Gas Light Company, Washington, D. C.
George R. Williams ..... Valley Cities Gas Co., Livingston, N. J.
Dillon Brookfield Wilson ..... D. B. Wilson Company, Philadelphia, Pa.
L. Glen Wiseley ..... Michigan Consolidated Gas Co., Detroit, Mich.
Frank J. Woolfenden ..... Michigan Consolidated Gas Co., Detroit, Mich.

CONVENTION CALENDAR

NOVEMBER

3 **Midwest Industrial Gas Council**
Chicago, Ill.

14-16 **National Association of Railroad and Utilities Commissioners Annual Meeting**
Omaha, Neb.

17 **Mid-Southeastern Gas Association, Annual Meeting**
Sir Walter Raleigh Hotel,
Raleigh, N. C.

27-Dec. 1 **American Society of Mechanical Engineers Annual Meeting**
New York

28 **American Gas Association Southwest Personnel Conference**
Shreveport, La.

DECEMBER

8 **American Standards Association Annual Meeting**
New York, N. Y.

FEBRUARY

8-10 **Domestic Gas Research Conference**
Cleveland, Ohio

MARCH

29-30 **A. G. A. Industrial & Commercial Gas Conference**
Toledo, Ohio

JUNE

19-22 **Canadian Gas Association, Victory Convention**
Murray Bay, Quebec

The Accounting Section's Year

O. H. Ritenour

By O. H. RITENOUR

Comptroller, Washington Gas Light Company, Washington, D. C.

The 1943-44 Accounting Section Chairman reviews the record of his administration.

THIS year the A. G. A. Accounting Section reached its twenty-fifth anniversary. Unfortunately, war conditions do not permit an appropriate observance of our attainment of the quarter-century mark. This is the first time in the history of the Section that the Association's Annual Conference has been cancelled. Faced, as we are, with a seemingly endless list of problems, it is unfortunate that the annual meeting could not be held. I am sure, however, that if foregoing our meeting has contributed in some manner to speeding the victory and returning our fellow countrymen from the battle front, every one of us will accept cheerfully this relatively minor inconvenience.

In line with the policy we adopted when the war began, the efforts of the Section during the past year have been directed only to the most pressing matters. Although very few committee meetings were held, each of our committees has done a truly splendid job.

Committee Work Completed

The General Accounting Committee, under the chairmanship of Mr. Reynolds, has studied and reported on a number of subjects. Some of the more important ones are Renegotiation; Pension Plans; Five-year Amortization in Rate Making; The Depreciated Original Cost Rate Base; Reports to Regulatory Authorities; Reducing Government Paper-Work Requirements; Wage and Salary Stabilization; Personnel Problems; Postwar Reserves; and Functional Accounting. The General Accounting Subcommittees, which were appointed last year to work with the E.E.I. on Internal Auditing; Reports to Regulatory Authorities; Reduction of Records; Amortization of War Facilities; Special Reserves for Postwar Adjustments; and Streamlining the Uniform System of Accounts, continued their work throughout the year. Several of these committees have met with regulatory bodies and have made encouraging progress.

The Taxation Committee, under the chairmanship of Mr. Heiby, has continued its work on the numerous phases of the very complex problems of taxation. Some of the items receiving special attention during the year were Internal Revenue Code Section 735 ("excess output" of natural gas); Internal Revenue Code Section 722 (constructive average base period net income); Intangible Drilling Costs; Pension Funds; Improved Methods for Assembling Tax Data; and Methods of Calculating Interim Tax Accruals. A special subcommittee, under the chairmanship of Mr. Dodds, made a study and submitted a report on the treatment of Account 100.5, Gas Plant Acquisition Adjustments.

The Materials and Supplies Committee, under the chairmanship of Mr. Brock, gave special consideration to Stock Control; Disposal of Surplus Materials and Equipment; Stores Expense; Salvage; Mechanical Stores Accounting; and Organization of Purchasing and Stores departments.

Mr. Hartogensis, chairman of the Property Records Committee, appointed three special Subcommittees as follows: Continuing Property Records, Mr. Eilers, chairman; Pricing Property Retired, Mr. Licciardi, chairman; and Overhead Construction Costs, Mr. Wigbels, chairman. Each of these committees is progressing with its assignments. Some of the other topics reviewed by this committee during the year were Current Accounting Problems Relating to Construction; Continuing Property Records; Amortization of Acquisition Adjustment Accounts; Recent Cases Involving Original Cost, Aquisition Adjustments and Plant Adjustment Accounts; and Contributions in Aid of Construction of Extensions Subject to Abandonment after the War.

During this year the work of the Depreciation Committee, under the chairmanship of Mr. Hasbrouck, has been limited strictly to depreciation accounting. At the beginning of this Association year, a special committee composed of members of the A. G. A. Board was assigned the responsibility for dealing with the broader phases of the depreciation problem. Mr. Hasbrouck presented an excellent summary of this subject at our Cleveland meeting.

The Customer Accounting Committee, under the chairmanship of Mr. Johnson, presented comprehensive reports on Wartime Billing Plans; and Employee Training Programs. This committee is now preparing a special report on "Merchandise Billing and Bookkeeping."

The Customer Collections Committee, under the chairmanship of Mr. Hahn, prepared reports on Maintaining Favorable Customer Paying Habits; and Collection Methods. This committee is now completing a survey of factual data relating to Collection Procedures and Policies.

The Customer Relations Committee, under the chairmanship of Mr. Murfit, presented

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EXCESS PROFITS TAXES

(Continued from page 452)

effect of the carry-back provision is illustrated in Chart 2, in which case it is assumed that a permanent rate reduction is imposed upon the hypothetical company in 1944 in an amount exactly sufficient to eliminate the excess profits tax in that year. In adopting the data underlying this chart, the decline in income caused by the loss of revenue due to the rate reduction in 1944 is smoothed in 1945 and 1946 so as to recognize the declining volume of business in those years.

The broken line in Chart 2 corresponds to the solid line in Chart 1 and shows the trend of the rate of return after giving effect to the carry-back provision but without any rate reduction. The solid line in Chart 2 shows the trend of return after the rate reduction is made in 1944 and the effect thereof is superimposed upon the declining earnings of the last two years. The spread between the broken line and the solid line in Chart 2 shows the effect of the rate reduction in 1944 and the combined effect of the rate reduction and the loss of the stabilizing benefit of the carry-back provision in

1945 and 1946. It is thus shown that in 1944, the rate reduction reduces the rate of return from 6% to 5.7%; the combined effect of the rate reduction and the loss of benefits of the carry-back provision reduces the rate of return in 1945 from 5.6% to 4.4% and in 1946 from 5.4% to 3.6%. All of this shows very clearly that a permanent rate reduction imposed for the purpose of eliminating the Excess Profits Tax in 1944 will have a disastrous result with respect to return as its effect is carried forward into a succeeding period of declining earnings.

Even though the effects illustrated in Charts 1 and 2 are based on an assumption of a hypothetical company. the data underlying the charts reflect ratios which are not uncommon in case of actual companies. Moreover, the charts prove that many utilities facing similar conditions will suffer severely if permanent rate reductions are imposed upon them for the purpose of eliminating excess profits taxes as an operating expense. Furthermore, the adverse effects portrayed in the charts may be accentuated in many cases. For example, some companies may have to increase their investment in plant at high levels of cost and may not be able to earn fair levels of return on such increased plant in the period of declining business. In such cases the return levels will be even lower than those shown in the charts.

Nor will the use of a "rate refund" or "consumers' dividend" plan preserve the benefits of the carry-back provision because, while such plan contemplates an adjustment only with respect to the current year, it nevertheless eliminates the Excess Profits Tax which is the source of the refunds which may be secured under the carry-back provision. Chart 3 shows the effect of a consumers' dividend in 1944 designed to eliminate the Excess Profits Tax in that year in the case of the same hypothetical company pictured in Charts 1 and 2. As in Chart 2, the broken line shows the return if no rate refund or consumers' dividend has been made in any year. The solid line shows what the return would be for each of the years if a consumers' dividend was paid in 1944 in the precise amount necessary to eliminate the Excess Profits Tax Income in that year. The consumers' dividend contemplated in Chart 3 for 1944 is equal in amount to the permanent rate reduction assumed in 1944 in Chart 2 and lowers the net return in that year from 6% to 5.7%. Again, it is assumed that the decline in earnings is such that there will be no Excess Profits Tax income for 1945 and 1946 and, of course, there could be no consumers' dividends in those years. Elimination of the Excess Profits Tax in 1944 would remove the basis for refunds in 1945 and 1946, which would otherwise be available by carrying back to 1944 the unused excess profits credits for the last two years. Consequently, the stabilizing effect of these refunds, under the carry-back provision, is absent and the return in 1945 drops from 5.6% to 5.5% and in 1946 from 5.4% to 4.5%. Chart 3, therefore, shows that in this three-year period of declining earnings, the normal decline in the rate of return from 6% to 5.4% is materially accelerated and would be more than doubled in 1946 if the assumed consumers' dividend were to be paid in 1944.

The result portrayed by this series of charts are such that regulatory authority should well pause and consider thoroughly the effect of any program of permanent rate reductions or consumers' dividends designed for the sole purpose of eliminating excess-profits taxes as an operating expense of utilities. Insofar as it is possible the wartime tax provisions of the Internal Revenue Code have been designed to deal with unusual conditions as equitably as possible. If, in the course of wartime rate regulation, the effect of these provisions is ignored, the results can so seriously cripple the utilities that they may be unable to meet their important responsibilities in the post-war era.

The Excess Profits Tax is a war tax, which everyone hopes will be abolished reasonably soon after the termination of hostilities. Permanent rate reductions for the purpose of eliminating this tax will continue after the abolition of the tax. Wise rate regulation will certainly not proceed on a course which merely produce conditions where subsequent rate increases may be inevitable.

* * * * *

In addition to the above, there are other conditions which, under the Internal Revenue Code, may produce so-called excess profits tax but which tax is in fact not excess profits tax at all and should not be the cause of a permanent reduction in rates or a consumers' dividend. For example,

(a) Interest charges may have been substantially reduced by refunding or debt retirement transactions subsequent to the years of the base period. Consequently, in the case of the companies using the Income Credit Method, the increased income caused by the reduced interest charges is subject to Excess Profits Tax, notwithstanding that such income is in no real sense, excess profits.

(b) Net investment in plant may have increased materially since December 31, 1939, through the expenditure of depreciation, amortization or surplus funds. In the case of companies using the Income Credit Method, any earnings upon such increase in net investment in plant will become subject to excess profits tax; in the case of the companies using the Invested Capital Method, if the funds are derived from sources which produce no increased Invested Capital, the increased earnings will be subjected to excess profits tax. Again this increased income is not excess profits in any real sense.

(c) Depreciation rates presently allowed for tax purposes may be substantially lower than those allowed in the returns during the base period years and the increased taxable income thereby created is subjected to Excess Profits Tax. Surprisingly enough, this is a common occurrence and, while it should not be implied that it is the motive, increased excess-profits taxes may be the end result.

Other similar conditions may exist which do not come readily to mind. Taken all in all, however, it will easily be seen that the operation of the Internal Revenue Code, as it relates to utilities, is a delicate and easily unbalanced structure. No course of rate reductions designed for the purpose of eliminating excess profits taxes can be uniformly applied. Even if such a program is to be adopted on the basis of giving due consideration for conditions existing in different companies, the analysis of each company's circumstances requires the most exhaustive study. In each case, the final conclusion should rest upon a consideration of all of the circumstances, and not upon the immediately indicated effect on consumers' rates and current rate of return alone.

Pacific Coast Recommendations for Postwar Domestic Gas Appliances

W. M. Jacobs

THE Pacific Coast Gas Association's committee on postwar domestic gas appliances has been active for nearly two years. Its final report has just been submitted to the Committee for Gas Industry Development. This paper is designed to touch upon some of the highlights of the material covered.

The committee developed its specific recommendations for postwar gas appliances through five special working groups within the committee (ranges, water heaters, refrigerators, heating equipment, and accessories and controls; the results of the latter being incorporated finally in those of the other four). These recommendations are to be printed and distributed soon in manual form.

Post-war gas appliances should comply with, but not be limited by, A.S.A. approval requirements. Further, the committee urges careful study of the research bulletins of the A. G. A. Testing Laboratory on domestic gas range and water heater research, and domestic gas burner research, and all other related available information. Particular significance is attached to developments of 100% primary air burners.

Ranges

The design and appearance of postwar ranges is of utmost importance, in view of modern concepts of kitchen design and styling. Flush-to-wall and flush-to-floor designs are urged, with provisions to facilitate installation and disconnection.

Ranges to meet customer needs on the Pacific Coast will apparently be larger than those recommended nationally. A width of from 38 to 42 in., depth of not more than 28 in., and work surface height of 36 in. are recommended.

Cleanability is given great emphasis. Flat, smooth surfaces, absence of cracks, exposed screws, etc., large radius bends, are all recommended. The top section should be so attractive in appearance that lift covers are unnecessary. The recommendations include specifications for finishes to conform with the cleanliness and cleanability requirement and to withstand normal use without damage. Burners must be protected from boil-overs.

White is the color recommended wherever possible. If black is used, as on wiped surfaces, its appearance should be reduced to a minimum.

Materially reduced surface temperatures is considered important. The recommendations give specific comments on accomplishing this.

Burners, Griddles, Cookers: Improved heat distribution of top burner-grate combinations is emphasized. Hot spots in simmer burner operation must be avoided.

All top burners should be equipped with effective automatic ignition and the burner controls located to avoid necessity of reaching over any burners to operate. The committee suggests study of top burners automatically controlled by thermostat, or turned down automatically from rated input to simmer, and then off with a time control, as a possible means of minimizing the effort and watching of cooking operations and adjusting burners for top section cooking.

Examples are offered of top burner grate arrangements to provide more room, eliminating overlapping of large pans, providing adequate working space, and eliminating tipping of pans.

Several recommendations are made concerning improvement of griddles, from the angle of appearance, cleanability, grease disposal, and uniformity of temperature.

While considerable demand among women for deep well cookers is recognized, it is suggested that this be met by supplying streamlined cooking pot of deep well type, as an accessory to avoid sacrificing top burner space. However, specific recommendations are offered for deep well cookers if built in as a recessed portion of the top section.

Ovens: Cleanability and improved finish of ovens is emphasized.

Sixteen inches is considered a minimum width, and the height should be sufficient to permit satisfactory completion of any baking operation when performed on both racks at the same time. Ovens larger than contemporary standards are recommended.

Quiet and smoothly operating, tightly fitting oven doors are important.

Springs are given detailed comment for accessibility for servicing.

Oven racks should be improved mechanically.

Hot spots should be eliminated and surface temperatures further reduced.

Oven heat distribution should be even for all normal cooking temperature settings; it is suggested that this might be accomplished with one oven burner to maintain the temperature and a second to augment it during the heat-up periods.

The oven temperature should not be increased as a result of pilot operation alone.

Range ovens should be equipped with effective automatic ignition and automatic clock oven control should be given still greater emphasis in manufacturing and selling plans.

Glass windows high in the oven door are suggested as optional features, because of the recorded desire of many women to watch food cooking or baking. An oven light is recommended at least in conjunction with glass oven doors.

Broilers: Elevated broilers are recommended, particularly in table top models. When not so provided, however, operation of the broiler section of the range should

- **A valuable postwar study conducted by The Pacific Coast Gas Association was recently completed by the Committee on Gas Industry Development, H. L. Masser, chairman, and reported at the P. C. G. A. Annual Meeting in Los Angeles, September 14. An important part of this study, devoted to improvement of gas utilization equipment, was made by a committee headed by W. M. Jacobs. Excerpts from Mr. Jacobs' report were published in the October issue of GAS and are reprinted herewith.**

- **Both Messrs. Masser and Jacobs were awarded gold medals by the P. C. G. A. for their postwar committee contributions.**

- **Mr. Jacobs is a member of the Copy Committee of the A. G. A. National Advertising Program and until recently was chairman of that committee. He was named chairman of the P. C. G. A. Sales and Advertising Section at the September 14 meeting. He is general manager of sales of the Southern California Gas Company, Los Angeles.**

be made independent of the oven operation; i.e., the broiler operation should not be limited by action of the thermostat.

Because of the high susceptibility of the broiler to hard-to-clean splatters, it is imperative that it be made easy to clean. The recommendations include specific requirements and suggestions to accomplish this. It is recognized that the broiler is an outstanding feature of the gas range, and that no other method of broiling can equal the gas broiling operation. To effectuate further improvement, the broiler should be capable of attaining a high temperature within a short time. A "flash" type is suggested, or one that will satisfactorily brown moderately thin meat slices (½ to ¾ in.) leaving the center rare.

Broiler doors should fit tightly without leakage and it is important that they operate smoothly and without noise when hot or cold. Racks, grids, and pans should operate smoothly and quietly regardless of temperature, and should not distort due to quick change in temperature. Range broilers should be equipped with effective quick automatic ignition.

Control: Specific and detailed recommendations are included concerning controls and accessories, with emphasis on precision of performance, and service accessibility.

Manufacturers should investigate the possibility of using a two-stage control system that will provide a sufficient input for speed preheating but will also provide a minimum input not exceeding 5000 B.t.u. per cu. ft. of oven volume. New methods for positive identification of the number of certain definite inputs for burners are recommended, so that the user will not be required to adjust the burner by observation of the flame, but can duplicate previous results. Flexibility between positions is also important.

If and when single point gas ignition is developed to a point of being feasible in first cost and dependable and foolproof in operation, it is considered preferable to electric or multiple point gas ignition.

Operation of full automatic clock controls should be simplified, so that there will be no confusion in the mind of the user.

While the question of filters for range oven pilots was given detailed consideration, this was concluded to be a general industry problem now under active consideration, and not a matter of appliance design alone.

Refrigerators

The committee has assumed that the refrigerator manufacturer is abreast of recent developments in new materials which can improve appearance, performance and price, and will use them as appropriate consistent with strength and durability. No reference is therefore made in the recommendations to new types of materials.

It is urged that every possible effort be made to reduce selling prices to the end that we can be more competitive with electric refrigerators than in the past.

There has been interest in Southern California in a counter type refrigerator for postwar new homes.

The appearance of the refrigerator must follow current style trends and be competitively abreast. The grilled vent should be maintained as inconspicuously as possible but so constructed that combustion products and warm air be deflected forward from the wall as much as possible.

The dimensions of recent models are considered generally satisfactory. If any changes are made, they should be in the direction of decreasing depth and increasing width.

Specific suggestion is offered for improving the method of holding shelves to give greater flexibility in the use of the interior.

A more satisfactory and durable ice cube release and trigger tray arrangement is needed.

Ample space for the storage of frozen foods is considered important.

Comment is offered for improving defrosting controls.

Maintenance of high humidity in the food storage compartments is a definite necessity.

Specific comment is included for mechanical means for leveling.

It is essential that design features prevent circulated air currents from wiping walls or ceilings; wall discoloration is a problem to all types of domestic refrigerators.

Automatic Storage Water Heaters

In recognition of the extensive problem of short tank life in most areas of the Pacific Coast, serious consideration by manufacturers of the factors prolonging tank life in service is urged.

It is also recommended that manufacturers particularly study comparative advantages and overall field performance of full floating vs. internal flue types of tanks, and emphasize that type which proves to be the better (reference to A. G. A. research bulletin No. 19).

Water heaters should be designed for installation flush to the wall and floor, preferably for corner locations.

The heater as completely installed should present a neat and attractive appearance. Consideration should be given to concealing the draft hood within the heater as installed.

Piping connections and mechanical parts to be concealed behind removable panels, but, together with controls and accessories, should be readily accessible from the front of the heater.

Twenty gallons is considered a minimum actual storage capacity of any storage water heater.

The hourly recovery capacity should not be less than 40 gal. per hour.

Consideration should be given to novel means of heat transfer to avoid local overfiring and minimize rate of accumulation of lime; an example, multi-tube construction.

The recommendations encourage design of supplementary booster heaters for higher

(Continued on page 484)

Regional Sales Clinics Announced by American Gas Association

A SERIES of seven regional sales clinics covering two important and timely subjects of vital interest to the gas industry—Selection and Training of Gas Appliance Salesmen and the Coordinated Kitchen Program—have just been announced by the Residential Gas Section of the American Gas Association.

Sponsored jointly by the Committee on Selection and Training of Sales Personnel headed by R. E. Williams of Binghamton, N. Y., and the Coordinated Gas Kitchen Program Committee, headed by J. J. Quinn of Boston, these meetings have been conveniently arranged in various parts of the country. They will be held for one day only with approximately one-half day's time devoted to a full discussion of each subject.

Following is the schedule of dates and meetings arranged:

City	*Hotel*	*Date*
Boston, Mass.,	Copley-Plaza	Nov. 30
New York City,	Biltmore Hotel	Dec. 1
Pittsburgh, Pa.,	William Penn	Dec. 4
Chicago, Ill.,	Palmer House	Dec. 6
Kansas City, Mo.,	Phillips Hotel	Dec. 8
Dallas, Texas,	Baker Hotel	Dec. 11
Atlanta, Ga.,	Atlanta Biltmore	Dec. 14

Meetings for the Pacific Coast will be arranged at a later date.

It is planned that morning sessions will be devoted to explanation with complete instruction on value of the salesmen's selection program as an aid to sales managers in upgrading appliance salesmen. It will be entirely directed to the selection of salesmen for domestic appliances including refrigerators, ranges, water heaters, etc.

Featured in the program for these meetings will be Dr. Robert McMurry, consultant for Servel, Inc., who will conduct the discussions on Selection and Training of Salesmen. The program on the Coordinated Kitchen will be in charge of H. Vinton Potter, director, who is a member of the American Gas Association's staff.

Invitations to these meetings are being mailed to all gas companies by the A. G. A. together with an outline of the program and requesting advance registrations of those who will be in attendance. Every gas company executive interested in either the Salesmen's Selection Program or the Coordinated Kitchen Program will find his time well spent in attending the regional sales clinic in his territory.

Gorton Heads Enlarged CP Gas Range Promotional Program

James I. Gorton

APPOINTMENT of James I. Gorton as promotion director of the CP Gas Range Program, was announced by Lloyd C. Ginn, chairman of the CP Gas Range Manufacturers' Division of the Association of Gas Appliance & Equipment Manufacturers.

Based on the increasing interest shown in the CP program by utilities and dealers, manufacturers of ranges bearing the CP seal announced an increase in their promotional budget for the first six months of 1945 at a meeting held in the Waldorf-Astoria Hotel in New York City on October 6, 1944.

The major part of the CP advertising appropriation will be used to support the $6,000,000 national and local newspaper advertising program now being carried on by the gas industry. Full page CP advertisements will be scheduled in trade publications covering the appliance dealers, furniture, hardware, and department stores, and the architectural and building fields.

A dealer promotional package will be available to utilities for distribution to their dealers. This kit will contain a complete pre-selling program, window displays, newspaper advertising mats, guides to the selection of salesmen, guides to store planning, and preliminary sales training material.

Ninety-five per cent of all gas utilities have indicated their intention of aggressively promoting gas ranges bearing the CP seal. In the last three months alone, more than 5,000 dealers have requested and received CP promotional material to use in pre-selling their customers.

Winners Announced in Coordinated Gas Kitchen Name Contest

Everett A. Taylor

NATIONWIDE interest in the Coordinated Kitchen Program produced a record total of 5134 entries from gas company employees in the recent contest conducted by the A. G. A.—A.G.A.E.M., entitled "Wanted—A Name for the Gas Industry's Glamorous New Coordinated Kitchens." The contest ran from August 1 to September 10, and offered as prizes $1800 in War Bonds, a first national prize of a $500 Bond and two $100 Bonds to the second and third national winners. In addition $100 War Bonds were offered for the best name selected from each of the geographical regions of the United States, plus one for Canada and an additional two $100 War Bonds were offered as prizes at large.

In addition to being far more numerous than anticipated, the entries included names which varied all the way from the ordinary to the naive. A large number of words coined especially for the occasion made the task of the judges extremely difficult.

Each entry was considered individually and the one selected as most nearly meeting the requirements is "New Freedom Gas Kitchen" submitted by Everett A. Taylor, purchasing agent of the Providence (Rhode Island) Gas Company. The other national winners are:

"Modern Age Gas Kitchen," R. W. Hudgen, Oklahoma Natural Gas Co., Tulsa, Oklahoma.

"Gas Maid Kitchen," Lloyd Ira Miller, Pennsylvania Power & Light Co., Allentown, Pa.

Regional winners are shown below. The Judging Committee comprised the following members: John H. Warden, *Chairman*, Jeanette Campbell, Lloyd Ginn, Robert S. Agee and R. M. Alderman.

The Coordinated Kitchen Planning Program directed by H. Vinton Potter, seeks to coordinate the efforts of gas appliance manufacturers, cabinet manufacturers and others into a program that will make it possible to show gas at work in its most attractive surroundings. Modern gas appliances correctly combined with the right kind and number of cabinets set off by attractive and colorful floor covering and to which a sparkle and charm has been added by the use of accessories of tasteful design will attract women and thereby assure their continued loyalty to gas as the fuel for their kitchen of tomorrow. Gas companies generally have indicated their desire to show and advertise the most modern gas kitchens available where new freedom will be the keynote—freedom from needless work and drudgery and so the term "New Freedom Gas Kitchen" aptly describes these kitchens of tomorrow and will be extensively used in national advertising already scheduled for early in 1945.

Regional Winners

Region 1 New Freedom Gas Kitchen, Everett A. Taylor
Providence Gas Co., Providence, R. I.

Region 2 Carefree Gas Kitchen, R. M. Browning
Washington Gas Light Co., Washington, D. C.

Region 3 Everclean Gas Kitchen, W. S. Stephens
Pittsburgh & W. Va. Gas Co., Smithburg, W. Va.

Region 4 Blue Flame Gas-o-matic Kitchen, Rudolph R. Weddle
Michigan Consolidated Gas Co., Grand Rapids, Michigan

Region 5 Gas Maid Kitchen,* Mildred M. Endner
Minneapolis Gas Light Co., Minneapolis, Minn.

Region 6 Modern Age Gas Kitchen, R. W. Hudgen
Oklahoma Natural Gas Co., Tulsa, Oklahoma

Region 7 Matchless Service Gas Kitchen, R. M. Scofield
Lone Star Gas Co., Dallas, Texas

Region 8 Modernair Gas Kitchen, Frederick Hodgson
Southern Calif. Gas Co., Los Angeles, Calif.

Region 9 New Era Gas Kitchen, Phillis I. McPherson
Dominion Natural Gas Co. Ltd., St. Catherine, Ont.

Winners at Large

The Certified Performance Gas Kitchen, John H. Schalek
The Peoples Natural Gas Co., Pittsburgh, Pa.

Harmonized Gas Kitchen, Reinhard B. Hissrich
Equitable Gas Co., Pittsburgh, Pa.

* While "Gas Maid Kitchen" was selected as the 5th regional prize winner, an entry of the same name was submitted earlier from another district and therefore was awarded the 3rd national prize.

Postwar Selling in the Hotel and Restaurant Field

By I. S. ANOFF

Chairman, Food Service Equipment Industry, Inc., Chicago, Ill.

I. S. Anoff

THE present trend is toward postwar planning; we think of it in relation to reconversion and the production of goods, but it is also the gigantic scheme that will lead this country back to the ways of peace; its success will depend greatly upon the cooperation and relationship among industries.

It is now more than ten years ago when a memorable meeting was held at the Palmer House in Chicago, where the first seeds of dealer cooperation were sown. Much has happened since then and it is good to report that progress has been made between the utilities and the food service equipment dealers in many cities. When we recall just how chaotic conditions were ten years ago, it is a pleasure to reflect on the fine spirit prevailing between the utilities and dealers in New York, Boston, Philadelphia, Chicago, St. Louis and Cincinnati. This is true in many other cities where interested groups have met at various times to discuss their problems and arrange for closer and more effective work.

Dealer Logical Outlet

At several American Gas Association meetings it has been my privilege to plead the cause of the dealer. If I did not sincerely believe that the dealer was the logical source for handling sales of appliances and equipment I would not continue the effort to arrive at a better understanding. Sales are the life blood of the dealer's business; he must have them to exist. He must justify this existence by rendering a service. Many dealers do a very fine job of sales and service to their customers; it is logical to believe that if others apply themselves equally as well, they can do as good. To get results requires a better understanding of our responsibilities to each other.

It is generally conceded that the gas companies do not sell equipment because of the revenue derived from such sales. They may do it for a number of reasons:

1. Have sold merchandise for so many years that they do not want to make a change;
2. Individual fears that any change might affect his job;
3. The sale of equipment is a necessary adjunct to the gas company's service;
4. The dealer does not do a good job and needs competition.
5. The utilities are needed in the field to see that the standard of equipment is maintained;
6. Anything applying to the use of fuel is their responsibility.

Doubtless there are more reasons and some of those mentioned may not be regarded seriously but the facts are that no matter what the reason for the gas company selling equipment, such ideas have long ago been outmoded when men can get together to talk over their problems.

Profit for All

To those who have sold equipment for many years and still wish to hold on, we would like to remind them that the sale of equipment is essential to the success of the dealer. He must have this business. It serves no purpose for the utility to offer the goods at cut prices for their customers, and deprive the dealer of much-needed income. This is particularly true in these days of high taxes.

The utility does not need the profit; sometimes it sells goods at give-away prices that deprive the dealer of the chance of getting business from his regular customers. Furthermore, it has been proven in some instances that the gas company's commercial equipment department cannot do a volume of business to justify its existence, if charged with its rightful share of cost and credited with the profits from sales of equipment. This being the case why take these sales from the dealer? Better to discontinue the sale of equipment, put it through the dealer where it belongs and put your Sales Department to more important work. This should result in your doing a much better sales job in the gas field, or result in important savings.

As to your sales organization; the men who know the company, its policies and its product. Such men are rare, they are the result of long training; they are almost indispensable. Competition is going to be keen, for you to get your share will require a better sales organization than ever before. With the contacts they have and their knowledge of equipment, they could be used as inspectors to make regular visits to your customers, to see that they are using the right equipment for the purpose, and what is more important, that they are being properly maintained, so that your fuel can give maximum satisfaction.

Your fears about your customers using modern and efficient equipment are well founded. Too often customers use anything they can get; all they want is a low price. When they really learn what a fallacy this is, they will soon awaken. With the aid of the dealer you can do a much better job of contacting the trade and convincing them of the need of using equipment that is up to standard. In larger cities this message would be repeated often by the many dealers; in the smaller towns the dealers' efforts will supplement those of the utility so that results should be proportionately better.

So why not leave the selling of merchandise to the merchant? This is done in all other lines. The laundry is content to wash clothes; they leave sales to retail merchants. The Water Works leaves the sale of plumbing supplies to others; they concentrate on rendering good service. Our radio stations leave the sale of radios to the merchant and are content to do a better job of news reporting and entertainment for their millions of listeners. While in some instances they may be prohibited from selling merchandise by legislation, it is economically unsound to burn the candle at both ends. This also applies to the utilities; their sole function is the proper use and sale of light, fuel and power. If they render good service they will have done an excellent job.

Right Kind of Selling

Now for the other side of the picture. It should not be assumed that once sales are directed through the dealer, that the problem should rest. Far be it from that. While it may be admitted that many dealer salesmen have much to learn about the proper sale and use of equipment, they do represent a tremendous force which is in the field to do a job and this force should be used to its fullest extent.

Once dealers have the cooperation and confidence of the utility, they should be closely advised and supervised to see that they are doing the right kind of selling job. This must be one of the first principles of any dealer cooperation program. It starts

with a series of meetings between the interested parties, where they discuss what constitutes good equipment; what lines are so considered; how they should be sold. Demonstrations and meetings are held at regular intervals with the dealer's salesmen to bring about better understanding.

Such a program should only include those firms that regularly sell equipment and have a sales department to render necessary service. They must have men in the field, preferably Kitchen Engineers, who can aid in the sale of equipment, to recommend the right thing for the purpose. There may be exceptions that can be determined in accordance with conditions in any territory.

The trade looks to the dealer for their kitchen needs; as a result they make a study of what the market affords and plan their kitchens accordingly. If they are able to render this service, why should they be expected to do all of the engineering, only to have the utility take the order for the gas equipment? If the dealer has engineered the entire job he is entitled to the entire order. The utility has done nothing, except perhaps to offer a cut price or some such concession to have the customer omit these items from his order. If the dealer has the organization, the factory and experience to do all of this, it does not appear fair that he should be deprived of such sales. Quite to the contrary; the utilities should seek the cooperation of the dealer and give him the responsibility of sales and proper coverage, in return for which the dealer can expect to make a fair profit on such sales.

It has been our experience that the relationship between the dealer and utility can extend far beyond what has already been mentioned. There is so much to be derived from working closely together; once the plan gets underway it will result in the sale of better equipment and the utilities will render better service than ever.

In a highly competitive market would it not be better if the utility just devoted its time to the sale of its product and left the sale of equipment to the dealer? Perhaps that is one of your worries; what will the dealer do when he is confronted with a sale of equipment using a competitive fuel? Except in cases where the sale of a particular kind of fuel is specified by the customer, or where some fuel is especially adapted for the job, or where the local utility handled both types of fuel or power, the problem of selling competitive fuels belongs to the utilities and the customer can make the final decision, based upon the facts submitted. In such cases would it not be just as well to be on friendly terms with the dealer and have him report his findings to the utility, so it can protect its interests? Such an arrangement is possible where you work closely with the dealers in your area and educate them in the proper way to work. This will not be done if some such arrangement has not been made, but it is mentioned to indicate the possibilities of working with dealers.

Now where should this program start? It is advisable for the utility to call the local dealers together for a meeting and discuss the plan according to its own ideas. Many times the dealers may be a bit timid about getting together, but in time this will wear off. You can tell them your problems; with this start you will be able to hold other meetings and keep close contact with what goes on. Early in your sessions you should arrange for a series of meetings on equipment. Have them demonstrated and explained by factory men; competitive factory lines can be shown in the same meeting with good results. Once having held such meetings you can then hold refreshers once or twice a year.

Sales Campaigns

After these meetings you should launch a sales campaign; this can be done in several ways. Let the dealers conduct their own campaign; or mail some advertising to your customers recommending the use of new equipment and telling them to see their dealers, even listing the names of the dealers in the area. In one instance the utility printed a circular telling the complete story; it mailed it to all of their customers and supplied all dealers with quantities of the same circular with the dealer's name imprinted. These were mailed by the dealer as a further effort in this campaign. It would be well to mention that this was the most successful campaign staged in that town and will be tried again soon after the war.

All of this will be a start for the dealer cooperation program; from then on you will want to take such action as conditions require. No two cities handle their problems the same. In such cases all sales are referred to dealers. If a customer places an order with the utility, he is told of the new policy and asked what dealer he wants the order placed through. With that as a first premise it is interesting to note how much farther some of them go.

Here are some of the things offered by utilities as part of various plans:—

1. The utility finances any time payment sales by paying the dealer in full and carrying the paper for the customer.
2. In some cases time payment sales are guaranteed by the utility; if for any reason the customer fails to pay out the utility pays for the balance due.
3. The utility holds regular public demonstrations of cooking equipment, invites the dealers to attend and has all orders booked through them.
4. The utility advertises in the newspapers advocating the use of certain types of

Restaurant Owners Swing into Action at Annual Meeting

By Eugene D. Milener

NO one has to be reminded that these are times when the restaurant industry is serving more people than ever before and that naturally this condition has resulted in a terrific strain on every piece of equipment in use in restaurants and on every employee. This situation was fully reflected at the Annual Meeting and Exposition of the American Restaurant Association held during the week of October 9 in Chicago. But the thousands of restaurateurs present, in addition to considering present day pressing problems, found time with characteristic energy to probe into the future and make plans for better and larger restaurants after the war.

The time of the meeting could not have been better planned. On September 30 the War Production Board drastically liberalized Limitation Order L-182, which covers commercial cooking and baking equipment, making more equipment available for civilian replacement and for certain types of new installations. This action together with other timely conditions made this one of the most active and lively restaurant association meetings and exhibits ever held. In fact, it was believed by some that orders were placed for more restaurant cooking equipment during the week than was ever done during any previous week.

Gas and electric equipment was displayed by most of the representative manufacturers in the business. Seventeen manufacturers displayed for sale a total of 41 varied gas appliances. They extended from heavy duty gas ranges and broilers to ovens, counter appliances, deep fat fryers and dish washers. Up-to-date types of controls were also exhibited. Manufacturers' representatives contacted the restaurant owners at their exhibits and demonstrated their equipment. Hotel and restaurant men from a score or more gas companies met restaurant proprietors from their cities, and helped manufacturers point out the features of gas equipment. Harry Holbrook of the War Production Board, in charge of L-182, was present to discuss the recent changes in that order with appliance manufacturers and restaurant operators.

Thomas J. Gallagher, manager, Commercial Sales Department, The Peoples Gas Light and Coke Company, addressed the Thursday general session and strongly urged restaurant people to install only gas equipment that carries the Approval Seal of the American Gas Association Laboratories. M. L. McGuckin, president of the famous Maramor Restaurant, Columbus, Ohio, in a stimulating address, extended a "friendly challenge" to equipment and appliance manufacturers. Other speakers gave the results of market surveys.

The day before the Restaurant Exhibit opened the Hotel, Restaurant and Commercial Gas Division of Association of Gas Appliance and Equipment Manufacturers held a meeting that was fully attended.

equipment and tells them to buy through certain dealers whose names are listed in the ad.

5. The utility supervises the installation of all appliances and equipment using their fuel, doing this without cost.

These comments are not made for the purpose of including them in any program, but rather as evidence that once the plan gets under way the utility is enthusiastic and eager to do a good job.

As I write these lines I think of the utility in the smaller communities where they may be closer to their customers than in larger cities. I am confident that in many such cases dealers who make that area regularly could be called together in the same manner as indicated; tell them of your problems so when their salesmen work the territory they will be mindful of the job that you are doing and will work accordingly. Such meetings should be planned ahead of time so that trips can be arranged to get all of those interested together.

Salesmen should be encouraged to call on the utility each time they come to town. Once they get the habit they will be there regularly; for like a bird dog they will call wherever they smell a possible sale. This is enough inducement too; for the salesmen that cannot get the habit of calling can be by passed, for he will not be doing a good job for his company or the utility. Where possible it would be advisable to make the acquaintance of the owner or one of the officials of the dealer firm, so that in the event service, or closer cooperation may be needed you will have the necessary contact.

From the standpoint of prices, it has been the practice of some utilities to regard list prices as something that are printed to show just how big a discount they can offer. As a result some utilities not only sell direct, but they fail to derive a profit and are content to sell the equipment at their cost. Certainly the user is not entitled to this saving. It means nothing to the utility which continues to collect its legal rates for services rendered, using the equipment as a football to prove to its customer just how much it appreciates his business.

All of this is done at the expense of the dealer, for as already mentioned he needs these sales; they are his bread and butter. If you have to sell direct get a fair price for the goods and look up a reliable dealer and give him the profit. That may sound far-fetched

(Continued on page 484)

American Gas Association Industrial and Commercial Gas Advertising for November

The National Advertising Committee of the Industrial and Commercial Gas Section, J. P. Leinroth, chairman, and F. B. Jones, vice-chairman, announces that full page advertisements will appear in the trade and business magazines listed below during the month of November. These advertisements are prepared in cooperation with the Committee on National Advertising as a part of the industry's national advertising campaign.

MAGAZINE	THEME
General Manufacturing	
BUSINESS WEEK (Nov. 4—⅔ page)	A Powerful Pointer for P.W.P.'s.
MODERN INDUSTRY (½ page)	"Infra-Red" Drying by *GAS* cuts time nearly 90%.
INDUSTRIAL HEATING	Bridgeport Brass Prides Itself on *GAS* Heat Treating Equipment.
Metals Industry	
METAL PROGRESS	Bridgeport Brass Prides Itself on *GAS* Heat Treating Equipment.
STEEL (Nov. 13)	*GAS FIRED FURNACES* help produce the new Tubular Railway Axles.
THE IRON AGE (Nov. 2)	From Bazooka to Baby Carriage *GAS* is the Industrial Heating Fuel.
METALS & ALLOYS	Bridgeport Brass Prides Itself on *GAS* Heat Treating Equipment.
Ceramic Industry	
CERAMIC INDUSTRY	Depend on *GAS* . . . to help win your Post-War goals.
Glass Industry	
GLASS INDUSTRY	"Infra-Red" Drying by *GAS* cuts time nearly 90%.
Chemical Field	
CHEMICAL & METALLURGICAL ENGINEERING	"Infra-Red" Drying by *GAS* cuts time nearly 90%.
Hotel and Restaurant Field	
AMERICAN RESTAURANT	At Harvard . . . America's oldest university . . . *GAS* cooks and bakes for student soldiers.
RESTAURANT MANAGEMENT HOTEL MANAGEMENT	Washington's New Statler equipped with Complete *GAS* Kitchens.
INSTITUTIONS	Famous 50-Year Old Convalescent Home Cooks and Bakes for 300 Guests with *GAS*.
School Field	
NATION'S SCHOOLS	At Harvard . . . America's oldest university . . . *GAS* cooks and bakes for student soldiers.
Hospital Field	
MODERN HOSPITAL	Famous 50-Year Old Convalescent Home Cooks and Bakes for 300 Guests with *GAS*.
Food Processing	
FOOD INDUSTRIES	New *GAS* Baking Equipment Increases Cookie Production **50%.**
Baking Field	
BAKERS HELPER (Nov. 4) BAKERS WEEKLY (Nov. 13)	New *GAS* Baking Equipment Increases Cookie Production 50%.

Midwest Industrial Gas Council Meeting

AN interesting program has been announced for the meeting of the Midwest Industrial Gas Council which will be held Friday, November 3, at the Palmer House, Chicago.

F. H. Faber, sales manager, Despatch Oven Co., will open the morning session with a talk on "Various Methods of Applying Heat for Baking and Drying." Thereafter, Bob Solem and Arthur Wilcox, both of Eclipse Fuel Engineering Co., will present short papers on "Revised Burner Equipment for Converting Ovens to Gas Firing" and "New Developments in Aluminum and Magnesium Furnace Designs and Melting Practices."

The afternoon program begins with a paper by Orville E. Cullen, metallurgist, Surface Combustion, on "Controlled Atmospheres and Their Application to Malleablizing." Franklin T. Rainey, general sales manager, Ohio Fuel Gas Co., and past chairman, A. G. A. Industrial and Commercial Gas Section, will conclude the session with an address on the "Postwar Position of the Industrial Engineer."

The Industrial Gas Breakfast Meeting held in conjunction with the National Metal Congress, Cleveland, October 18

Gas Breakfast Meeting at Metal Congress Has Full Program

WITH an attendance of 175 people the Industrial Gas Breakfast was the high spot for gas men and gas equipment manufacturers at the National Metal Congress held in Cleveland, Ohio, the week of October 16.

The Industrial Gas Breakfast is conducted each year by the Industrial and Commercial Gas Section of the American Gas Association as a rallying feature for gas folks at the Metal Congress.

Presided over by Harry K. Wrench of Minneapolis, vice-chairman of the Industrial and Commercial Gas Section, the gathering served as the occasion for presenting for the first time to the gas industry and the metallurgical industry the new research bulletin of the Committee on Industrial Gas Research entitled "Research in Physical and Metallurigical Effects of High Speed Direct Air-Gas Heat on Metals."

Invited guests were the editors of the technical and business magazines whose circulation is in the metals industry. Speakers were J French Robinson, president, American Gas Association and president, The East Ohio Gas Co., Park Woodside, chairman of the board, Park Chemical Co., Detroit, and a founder and past president of American Society for Metals; Professor W. Trinks, Pittsburgh, Pa., the beloved dean of industrial heating; Frederick O. Hess, president, Selas Corporation of America, and William M. Hepburn, chief engineer, Surface Combustion.

In a symposium on "What We Have Learned in the Last Year on Applying Gas Heat to Metals" that ended the breakfast meeting, the following participated: Carl H. Lekberg, leader, Karl Emmerling, E. L. Spanagel, David Lee Ludwig, Henry M. Heyn, C. George Segeler, Frederick O. Hess and others.

President Robinson greeted those present and outlined conditions that have governed the supply of natural gas during the war. He gave a ringing challenge to other industrial fuels during the reconversion and postwar periods, by declaring there would be ample supplies of gas and that it would get the bulk of business in factories and mills. Mr. Whiteside told in a very amusing way of the development of industrial gas heating as he has experienced it during his long career as the owner or operator of metal plants. He said the American Society for Metals, sponsor of the National Metal Congress, appreciated the cooperation of the American Gas Association in the Congress and he believed that mutual relations between the two industries are excellent.

New Research Bulletin

Eugene D. Milener, secretary, Committee on Industrial Gas Research in announcing the new industrial research bulletin on High Speed Direct Heating explained that the technical work had been done by Selas Corporation of America and that the editorial layout and publication had been done by the A. G. A. Laboratories. Mr. Hess outlined the technical phases of the research work and K. H. Flint of the Laboratories described the bulletin and also urged those present to review previous industrial gas research bulletins published by the Laboratories under the sponsorship of the Industrial Research Committee.

Professor W. Trinks, busy metallurgical consultant of the Army Ordnance Department, said the research reported in the new bulletin was blazing a trail and that he hoped the work would be carried forward. He said that work of this character would help gas men keep in the fore in the growing battle of the fuels. The crowd was very pleased when Professor Trinks closed his talk with some humorous experiences drawn from his long and distinguished career.

Metals magazines were asked to answer the following question in not over twelve words: "What Do I Think the Market for Which I Write Wants Most from the Gas Industry?" Answers were read and will be referred to the Managing Committee of the Industrial and Commercial Gas Section.

Election of officers for the Industrial and Commercial Gas Section for 1945 was held at this time due to there being no sectional meetings at the short A. G. A. Annual Meeting. Ben H. Gardner, Columbus, Ohio, chairman, Nominating Committee, presented the committee's slate which was unanimously elected.

The new officers, Chairman Harry K. Wrench, president and general manager, Minneapolis Gas Light Company and Vice-Chairman Harry A. Sutton, assistant industrial fuel representative, Public Service Electric and Gas Company, Newark, New Jersey, each spoke briefly and the section's official "gas main" gavel was turned over to Mr. Wrench.

The specialists who took part in the symposium presented a quantity of material on heating and melting ferrous and non-ferrous metals and at the conclusion of the symposium this most interesting and successful Industrial Gas Breakfast Meeting adjourned.

MAJOR FINERAN

Genial Ed. Fineran, of the Washington Gas Light Company's industrial division, is now Major Edward V. Fineran, of the Signal Corps, stationed in Brittany.

FOOD FACT

"Overgrown kitchen methods are obsolete in the food industry. Technically controlled and accurately managed practices will be essential during postwar competitive conditions."—Frank Pendergast in "The Coming Revolution in Foods" *Industry*, Sept. 1944.

Technical Section Officers Make Plans for Active Association Year

AT a dinner meeting held October 4 at the Hotel Biltmore in New York City, the Technical Section Managing and Advisory Committees of the American Gas Association reviewed the achievements of the past year and outlined a program for 1945. In the absence of an annual meeting, this organizational session was declared a regular business session and new officers were elected.

L. E. Knowlton, engineer, Providence Gas Co., Providence, R. I., was unanimously elected chairman of the Section for the 1944-1945 term. L. J. Eck, vice-president, Minneapolis Gas Light Co., Minneapolis, Minn., was selected for vice-chairman.

The retiring chairman, Charles F. Turner, chief chemist, The East Ohio Gas Company, Cleveland, who presided at the meeting, presented Mr. Knowlton with an engraved gavel as a symbol of his office. In turn, Mr. Knowlton complimented Mr. Turner on the outstanding record of accomplishment during his administration and presented him with an engraved pen and pencil set as an expression of appreciation from his associates on the Section committees.

There followed brief reports of 1943-1944 committee chairmen giving highlights of activities during the past year. These included: Beal Medal Award Committee—H. L. Gaidry, chairman (presented by Secretary A. Gordon King in Mr. Gaidry's absence); Chemical Committee—V. J. Altieri, chairman (presented by Chairman Turner); Distribution Committee—A. C. Cherry, chairman; Gas Conditioning Committee—H. D. Lehman, chairman; Organic Sulphur Subcommittee—Dr. E. W. Guernsey, chairman; Gas Production Committee—F. J. Pfluke, chairman (presented by incoming Chairman R. Van Vliet); Committee on Operation of Public Utility Motor Vehicles—E. W. Jahn, chairman (presented by Linn Edsall); Mixed Gas Research Committee—H. O. Loebell, chairman (presented by R. M. Connor and W. R. Teller); Committee on Postwar Planning Cooperation—J. V. Postles, chairman; and Committee on Revision of Gas Chemists' Handbook—E. L. Sweeney, chairman.

Reporting for the Motor Vehicle group, Mr. Edsall declared that next year's Committee Conference would be held in conjunction with the annual Distribution Conference. He also revealed that heavy truck tires continue to be scarce and that production of 20,000 light trucks, of an estimated requirement of 300,000, have been authorized for the first half of 1945. He stated that it is now possible to purchase portable air compressors.

Mixed Gas Research

The Mixed Gas Research project, under Mr. Loebell's committee, has made substantial progress, Mr. Conner brought out, giving his opinion that governmental agencies and public utility commissions, as well as the gas industry, desired fundamental information on this subject. Reporting on the technical aspects of the work which has been under way 18 months, Mr. Teller described problems arising in interchanging gases, such as increase in rate, yellow tips, carbon deposits, incomplete combustion, etc.

An effort has been made, Mr. Teller said, to evolve a mathematical basis from the results achieved, such as flashback, decreased capacity and the like, and it is possible to determine the limits of occurrence of these

Everett J. Boothby, newly-elected first vice-president, A. G. A., and chairman, Manufactured Gas Department; L. E. Knowlton, incoming chairman, Technical Section; Major T. J. Strickler, A. G. A. past president, and R. M. Conner, director, A. G. A. Testing Laboratories

L. J. Eck, Minneapolis, vice-chairman-elect, Technical Section; R. H. Hargrove, Shreveport, second vice-president, A. G. A.; President J French Robinson, Cleveland, and Charles F. Turner, Cleveland, retiring chairman, Technical Section

W. H. Lignon, Atlanta; F. A. Lydecker, Newark, N. J.; H. B. Andersen, Philadelphia, chairman, distribution design subcommittee; T. H. Kendall, new chairman, Distribution Committee, and R. Van Vliet, incoming chairman, Gas Production Committee

characteristics. He advised that part of the assignment is to develop a standard test burner. In agreement with the Technical and Natural Gas Sections, joint sponsors, the present work will be completed this year and a bulletin issued.

Revision of the Gas Chemists' Handbook is going forward and individual chapters are being revised in separate book form. Two of these books are already published, one on Light Oils, the other on Dry Box Purification, and a third on Gas Analysis is now being printed. It was also reported that the Chemical Index, known as the Opperman Index, is being brought up to date by the Association's librarian, Luis Hilt.

Before concluding this portion of the meeting, Chairman Turner called upon J French Robinson, newly elected president of the Association; E. J. Boothby, first vice-president and chairman-elect of the Manufactured Gas Department; and Major Alexander Forward, managing director—each of whom spoke briefly.

At this point in the proceedings Chairman-Elect Knowlton became presiding officer and called upon 1944-1945 committee chairmen to present a nutshell preview of their programs for the new year. Among those reporting were: Chemical Committee—Dr. C.

Meeting of the Technical Section's Committee on Postwar Planning Cooperation held in New York, October 4. Left to right, seated: Hall M. Henry, chairman, Committee on Engineering and Economic Phases of the Gas Industry; J. W. West, Jr., assistant managing director, A. G. A.; Charles F. Turner, chairman, Technical Section; and H. B. Andersen, chairman, distribution design subcommittee. Standing: T. H. Kendall, incoming chairman, Distribution Committee; A. C. Cherry, retiring chairman, Distribution Committee; J. V. Postles, chairman, Committee on Postwar Planning Cooperation; and L. J. Eck, incoming Section vice-chairman

E. J. Tucker, Toronto, R. G. Griswold, New York, and H. W. Gee, Johnson City, Pa.

Major T. J. Strickler, Kansas City; D. P. Hartson, Pittsburgh; Alexander Forward

S. P. Cobb, New York, and C. H. Waring, Kansas City

W. R. Teller, Cleveland; W. R. Fraser, Detroit, chairman, Wrinkles Subcommittee; C. D. Robison, Omaha, and S. G. Krake, New York

H. D. Lehman, Philadelphia, chairman, Gas Conditioning Committee; Dr. E. W. Guernsey, Baltimore, chairman, Organic Sulphur Subcommittee; and R. E. Kruger, Rochester

Dr. W. W. Gauger, State College; K. Fuery, New York; S. J. Modzikowski, Chicago; Linn Edsall, Philadelphia; H. D. Lehman, Philadelphia; Dr. E. W. Guernsey, Baltimore, and Dr. A. R. Powell, Pittsburgh

W. Wilson, chairman; Distribution Committee—T. H. Kendall, chairman; Committee on Operation of Public Utility Motor Vehicles—S. G. Page, chairman; Gas Conditioning Committee—H. D. Lehman, chairman; Gas Production Committee—R. Van Vliet, chairman.

It was announced that W. R. Fraser, of Detroit, had been appointed vice-chairman of the Chemical Committee; J. H. Collins, of New Orleans, vice-chairman of the Distribution Committee; B. D. Connor, of Boston, vice-chairman of the Motor Vehicles Committee. Dr. E. W. Guernsey will continue as chairman of the permanent Subcommittee on Organic Sulphur; J. V. Postles will serve again as chairman of the Postwar Planning Cooperation Committee; and E. L. Sweeney will remain as chairman of the Gas Chemists' Handbook Revision Committee. L. K. Richey will continue to represent the section on the Accident Prevention Committee.

Two Motor Vehicles subcommittees have been appointed by Chairman Page; one on body design of which F. Heinlein, Cincinnati, is chairman; the other on Driver Training and Safe Driving Practice, headed by Linn Edsall.

Chairman Knowlton stated that, at the Manufactured Gas Department's request, the Technical Section has under its jurisdiction two committees which are being managed for the Department—the Gas Production and Gas Conditioning Committees.

From all reports, it was evident that the Section's committees are well along in their organization and prepared to make important contributions to the gas industry. Final details of the year's program will be completed at separate committee meetings to be held in New York shortly. Distribution, Motor Vehicle, and Joint Production and Chemical Conferences will be held in the Spring.

WRINKLES

This is the third in a series of "wrinkles" compiled by the Chemical Wrinkles Subcommittee of the Technical Section consisting of W. R. Fraser, Michigan Consolidated Gas Co., Detroit, chairman; R. M. Buck, Bryant Heater Company, Cleveland; F. H. Bunnell, Consumers Power Co., Jackson, Mich.; and Marshall Hyde, Detroit Edison Co., Port Huron, Mich.

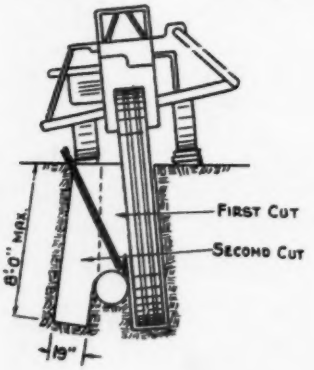
More than 100 wrinkles are contained in the complete report of the Wrinkles Subcommittee which is available at Association headquarters.

Purging of Distribution Mains

When distribution mains are put into, or taken out of service a simple method of purging to prevent gas and air mixing is to separate the two with a plug of CO_2 gas from 50 lbs. CO_2 cylinders. Depending on the size of main to be purged, 500 to 1500 cu.ft. of CO_2 is used. The CO_2 plug will prevent any mixing of gas and air during the travel through the main when the main is purged. The velocity of the purging gas in the main should be relatively high.

Vertical Boom Trencher Used To Excavate Openings for Installation of Bell Joint Clamps

Excavating for installation of bell joint clamps is effectively done with a vertical boom trencher. The first cut is made directly over the main. The second and third cuts are made on each side of the main and to a depth of about 12" below the main, or to the maximum cut that can be made by the machine.



Valve Numbering

The purpose of valve numbering is to facilitate accuracy in servicing and using valves during emergencies.

All valves in distribution and transmission systems are given a number. This number is stamped on a corrosion resistant metal tag. These stamped tags are placed both on the valve and on the inside of the valve box.

Transmission valves are numbered with the first number indicating the system. For example—No. 3010 means the tenth valve in Transmission System No. 3.

Distribution valves are numbered as follows: 4d-6-30, which means fourth district, 6" valve number 30.

Anti-freeze Soap Solution for Gas Leak Testing or Pipe Gasket Lubricant

The solution has the following composition:

Zerex anti-freeze	33%
Sodium lauryl sulfate (Dupont)	5%
Water	62%

Keep solution in a relatively warm storage location prior to using.

Pumping Drips with Vacuum Tanks

A vacuum is maintained by a connection from the tank to the intake manifold of engine on the motor vehicle. A 165 gallon tank is used on ¾ ton trucks and 520 gallon tank on 1½ ton trucks.

Dog-eared for Technical Men

The following list of references to technical literature deemed of interest and value to members of the Technical Section has been prepared by Luis Hilt, librarian of the American Gas Association. This is the fourth listing.

Complete Gasification

Complete Gasification of Coal—George Helps—Gas Journal, August 23, 1944: 245-6, 251, 253; Also Gas World, August 19, 1944: 178-80. (Both references are to summaries of a paper before the Midland Junior Gas Assn., based on results of supplying 200 B.t.u. gas to Nuneaton over the past twelve years.)

Gas Turbine

Typical Specifications for Gas Turbine Power Units—Paul R. Sidler—Power, September 1944: 92-4, 212.

Oil Synthesis, Fischer-Tropsch Process, Etc.

Fischer-Tropsch Synthesis May Prove a Major Refining Process—Arch L. Foster—Part 1: The Reaction, Its Mechanism, and Its Products—Oil & Gas Jrl., August 19, 1944: 99, 101, 106, 109 (inc. bibliog.); Part 2: Methods of Operation—September 2, 1944: 46-9 (incl. bibliog.); Part 3: Catalysts and Their Preparation—September 9, 1944: 66, 69, 91 (incl. bibliog.).

Technical and Economic Status of Liquid Fuel Production from Nonpetroleum Sources with Recommendations as to a Research Program—Robert E. Wilson—Chemical & Engineering News, August 10, 1944: 1244-50; Same. National Petroleum News, September 6, 1944 section two: R596-7, R600-2.

Petroleum and Natural Gas as Chemical Agents

Coming Petrochemical Industry: Petroleum and Natural Gas Seen as Most Important Raw Materials for Manufacturing Organic Chemicals in the Coming Decade or Longer—George E. P. Smith, Jr. & Henry F. Palmer—National Petroleum News, September 6, 1944, section two: R570-5, R647.

Purification

Catalytic Removal of Organic Sulphur Compounds from Coal Gas—R. H. Griffith and J. H. G. Plant—Gas Journal, July 12, 1944: 48-50, 53-4.

Gas Measurement, Orifice Metering, Etc.

Review of Southern California Meter Association Meter Course—J. T. Cortelyou—American Gas Journal, September 1944: 15-18, 21. (The ten subjects discussed herein, constitute Paper No. 11, publication No. 17 issued July 20, 1944 by Southern California Meter Association.)

Laboratories

GEORGE E WHITWELL, *Chairman*
R. M. CONNER, *Director*
W H. VOLAN, *Supervisor, Pacific Coast Branch*

Laboratories Issue Five Domestic Gas Research Bulletins

DISTRIBUTION of five newly published bulletins places before the industry latest published results of the accelerated research program sponsored by the Committee on Domestic Gas Research. Three of these new bulletins are devoted to gas cooking research, one deals with gas water heating and the fifth with a study of non-aerated burners. They bring to eleven the total number of research publications dealing with domestic gas research issued during the 1943-44 Association year.

Representing the seventh publication devoted to domestic gas cooking research, Bulletin No. 27 is entitled "A Study of Performance Characteristics of Vented Domestic Ranges." It gives extensive consideration to effects of chimney drafts on performance of top, oven and broiler burners of various types of ranges. Special attention is devoted to those of flush-to-the-wall design. From data obtained two methods of venting are discussed which provide satisfactory performance of all burners under extreme draft conditions. A basis of design of draft diverters is set forth embodying principles resulting from this study.

Electric Ignition

Bulletin No. 28 "Electric Ignition of Gases" presents new and valuable data on a subject not previously covered in published form. Devoted mainly to igniters of the hot wire coil type, a complete analysis is made of various factors involved in providing satisfactory ignition with particular respect to coil temperature and time required. Anticipated life of different types of such igniters under various operating conditions is evaluated, including factors of design of the lighting coils. A short discussion on the use of high voltage electric sparks for ignition of gas is also presented.

Bulletin No. 29 "Principles of Design and Sizing of Automatic Gas Water Heaters for Maximum Service Efficiency" is the fourth in the series of domestic gas water heating publications. Results of extensive studies are presented on the sizing of automatic storage heaters for maximum efficiency in service. One series of recommended sizes is offered, designed to furnish unlimited hot water service where flexibility is more important than operating cost. A second covers the slow recovery type of service where cost of operation is of greater importance than an unlimited hot water supply.

Possibilities of improving operating efficiency by use of flue gas and hot water heat traps, elimination of metal-to-metal contents, insulation of storage vessel bottoms, two-stage heating and other factors are evaluated. A review of existing data on determining hot water needs and a summary of previous research on factors affecting service efficiency are also presented in an Appendix.

"Non-Aerated Burners" as Bulletin No. 32 is titled gives extensive data on conditions under which luminous or non-luminous flames are obtained with burners of this type. Non-aerated burners have been employed to a limited extent for special applications and in recent years considerable interest has been exhibited in their use with domestic equipment. The study covers fundamentals underlying the combustion of different gases without primary air and sets forth basic principles which will be helpful in the design and utilization of burners employing this feature. Advantages and disadvantages which they offer are also discussed.

Issued as the ninth publication in the gas cooking series, Bulletin No. 33 "Design Features Affecting Gas Range Surface Temperatures" is devoted to effective insulation of ovens and broilers. Extensive new data are presented on heat losses through doors due to metal-to-metal contacts and leakage of flue gases. Substantial reductions in such losses are shown to be possible by suitable constructional features with resultant lowering of surface temperatures of exposed range parts. Additional information on this subject of much value to designers is also supplied by inclusion of data summarized from previous publications.

5-Year Appliance Approval Period Reinstated

ANTICIPATING early resumption of production of gas appliances on a peacetime basis, action has been taken by the A. G. A. Laboratories Managing and Approval Requirements Committees to return to the former policy by which approval of equipment was limited to a 5-year period. This decision was reached after consultation with gas appliance manufacturer representatives.

Several years before the war the policy was established of limiting extension of approval of appliances for a period not to exceed 5 years. At the end of that time compliance was required with approval standards currently in effect in order for approval to be again granted. Due to material restrictions arising from war conditions which made it impractical for manufacturers to make changes in their equipment to comply with new requirements provisions, decision was reached in 1942 to suspend the 5-year limitation on approval extensions until further notice. However, recent government action in relaxing material controls and permitting construction of experimental models has indicated the advisability of a return to the former approval policy.

To permit adequate advance notice prior to its enforcement, a period of grace has been established for equipment which was tested more than 5 years ago and approval of which is still in effect. On this basis, appliances approved in 1937 and 1938 must be submitted for test in 1946 under the requirements in effect at that time. Those tested in 1939, 40 and 41 must similarly be retested in 1947. Starting with equipment tested in 1942, a 5-year limitation on approvals will be enforced, models tested in that year thus requiring re-examination in 1947.

In reinstating the 5-year approval period the Laboratories Managing Committee also decided that War Standard approval requirements now in effect be declared void as of December 13, 1944. All approvals under such standards covering gas ranges and water heaters as well as all approvals under "War Emergency Modifications" will be discontinued and revoked on December 31, 1945. Provision is thus made for disposal of such approved models now in stock until 1946.

New Air Conditioning Data Published

A STUDY of three specific phases of gas air conditioning and related subjects, including an extensive field investigation, has been completed by the American Gas Association Testing Laboratories. The study

represents a year's work under sponsorship of the Joint Committee on Gas Summer Air Conditioning of the Industrial and Commercial Gas Section and the Residential Gas Section.

Two of the phases, performance of air duct systems for all-year air conditioning installations and a field survey of water problems encountered, have been published and distributed to the gas industry. In the air duct survey contemporary methods of computing pressure loss and data employed were found inadequate for calculating this factor in all types of duct system fittings and will require additional research for solution. Water problems were found to differ in various geographical areas and the survey indicates that in many locations need exists for water treatment of some kind. Solution of the problem in any specific area may require consultation with water treatment engineers.

The third phase surveyed, the need for control of dehumidification in addition to cooling, is to be published soon. This study indicates that in certain localities there is a necessity for better control of dehumidification and that this problem is also local in character. Available weather data for specific areas and methods of estimating local design conditions are also included.

The complete study was undertaken in view of the rapidly increasing popularity of air conditioning and the need for additional engineering data. Contacts made with leading engineers during the survey helped greatly in determining problems which should be further investigated and studied.

A. G. A. Laboratories Work Extolled

THE Managing Committee of the American Gas Association Testing Laboratories at its meeting in New York October 4 paid tribute to the accomplishments of the Laboratories in the following resolution:

"WHEREAS, the Laboratories completed during the Association year 1943-44 the largest amount of research work ever done during a similar period in the history of the institution, and

"WHEREAS, eleven highly technical and valuable domestic gas research bulletins were completed and published and thirteen requirements committee projects were completed and reports issued to the respective committees, and

"WHEREAS, the foregoing accomplishments were effectuated under unusually adverse conditions of employment and wartime restrictions.

"NOW THEREFORE BE IT RESOLVED that this committee hereby extend its heartiest congratulations to the Laboratories' Director and his able staff, not only for their accomplishments but for the noteworthy contributions made during the year to furtherance of the Association's purposes and the advancement of the gas industry."

GAS INDUSTRY PLAN

(Continued from page 440)

motional requirements. Total receipts for the fiscal year 1944-1945 are estimated at $512,000. Estimated expenditures approved by the Finance and Control Committee total $543,000 including only $97,750 for total research expenditures as against minimum requests by the Coordinating Committee on Research totalling $173,750. The budget of the Association is short of meeting the bare minimum research requirements by $76,000 in spite of the fact that budgeted expenditures already exceed budgeted receipts by $31,000 for the year.

Under the circumstances, the research program must obviously be financed separately from the general funds of the Association to avoid reducing its surplus below a minimum safe provision for contingencies. The industry is faced, therefore, with the choice of either providing additional funds for essential activities or of curtailing the work which has already been so successfully initiated.

Gas Trade Group Costs

During my past six years of Association work, I have been interested on numerous occasions in the attitude of combination company executives toward the cost of A. G. A. activities by comparison with those of the trade associations of the electric industry. The comparison is generally drawn on the basis of the cost to their own companies expressed in percentage of revenues of the two departments of the business, the percentage in the case of the gas industry being higher, of course, than in the case of the electric.

Even aside from the fact that the electric industry now supports three associations as against the gas industry's one, it appears to me that such comparisons are meaningless. The activities of the American Gas Association go far beyond those of the associations of the electric industry and must continue to do so, so long as the manufacturers of the gas industry are unable to supply the research and promotional effort made available to the electric industry by the large electric manufacturers. This situation is clearly responsible for the lower expenditures of the electric associations. There may be differences of opinion as to the value of particular industry activities conducted from time to time through the A. G. A., but I submit to you that by and large the Association has been ably and economically operated and that it has provided to the industry necessary facilities for group action which were not available through any other organization or section of the industry. Its performance must be judged, therefore, on the basis of results obtained as against dollars expended rather than on the basis of comparative costs of other industry associations fulfilling a radically different and much more limited function. I feel that the merits of the proposed "Plan for Research and Promotional Development" must be judged in the same manner and that on the basis of obvious needs and sound business policy the plan deserves the enthusiastic support of the entire industry.

Future in Our Hands

In conclusion, I would like to quote two paragraphs from the text of the plan which from my standpoint state the essential elements of the all-important issue now before us:—

"The future of the gas industry is in its own hands. What that future may be depends to a large extent upon the initiative, intelligence and effort which the industry exerts in its own behalf. Rising costs and aggressive competition have created problems which require immediate and effective action. The industry must unite in a determined effort to improve the economics of its operations and to promote its business so that the possibilities of gas service may be realized to the fullest extent and the position of the gas industry may be strengthened as an important factor in our social and industrial structure. Such action on the part of the industry will not only preserve and extend its markets but will have a direct bearing on the ability of the industry to attract new capital on more favorable terms in the future than have prevailed in the recent past.

"It is obvious that financial interests are attracted by the securities of those industries which show a progressive spirit and which continually safeguard their future through substantial expenditures for research and aggres-

sive promotional effort. It is essential, therefore, that the gas industry in its own self-interest demonstrates its faith in the future of its business by appropriating adequate funds for research and promotional development."

ACCOUNTING YEAR

(Continued from page 469)

reports on the Requirements of the Customer Relations Man; and Customer Relations Problems in Wartime and After. Mr. Murfit offered several interesting suggestions which go beyond the scope of his committee. These suggestions have been forwarded through the proper channels.

As a follow-up of certain preliminary discussions, which were held in 1943, a special committee was appointed this year and given the assignment of making a comprehensive study of fundamentals of Customer Accounting and Collections with the view to establishing uniformity and simplicity; keeping particularly in mind such important points as Methods, Customer Relations, Calibre and Training of Personnel, and Economy. This committee is under the able chairmanship of L. A. Mayo.

Our only meeting of the whole Section during the year was that which was held jointly with the E.E.I. Accounting Section in Cleveland in April. Adverse conditions notwithstanding, the attendance of that meeting almost, perhaps actually, set a new record. More important, the intense interest and active participation of the delegates in every session clearly indicated an awareness on the part of the accountants of the industry of the tremendously increased burden that has been placed upon them as a result of regulatory and other developments in recent years. The numerous complimentary remarks regarding the quality of the meeting were most gratifying and thoroughly deserved by the coordinators and committee chairmen. Every one of them worked long and hard on that program and turned in a performance of which the industry has a right to be proud.

The very interesting and important subject of Personnel Relations was one of the matters given much attention in that meeting. Furthermore, the General Sessions addresses of Messrs. Simpson on Collection Bargaining, Williams on Personnel Relations and Dr. Dorau on Trends in Public Utility Regulations are worthy of the careful study of the full management of the industry, from board chairmen down.* The sharp rise in the responsibilities of accountants was clearly stated by Dr. Dorau in his Cleveland address, as follows:

"* * * The first matter of importance is the changed place of accounting in the scheme of regulation. This change, from a position of relatively little final importance to the present place of overwhelming and almost final and conclusive importance, has been accomplished in a few years. Accounting is well on the way to becoming the almost single and exclusive implement of the regulatory process. * * *

"* * * This now unique place and character of public utility accounting requires a reconciliation of accounting and regulatory ends. Each accounting policy will appropriately be subject to critical appraisal in terms of its effect on legally earnable income.

"For accountants the prescription seems indisputably clear. They must, to meet their responsibility to their employer, seek an understanding of the ends and methods of the new regulatory vogue so that they can intelligently and effectively adjust their thinking and their procedures to its ways. If accounting is going to be taken to have a meaning for regulation the accountant must take the responsibility of making it mean what it is being said to mean. * * *"

I trust that the omission of our annual meeting this year will serve to stimulate all of us to resume our Association work with increased zeal as soon as conditions permit. The need for expanding such work is obvious, not only because of regulatory requirements, but also because the responsibility of the accountants of the industry has grown to such proportions that they must be kept fully informed on all important features of management.

Twenty-five Years Ago Today

BROADWAY MOVIE CALENDAR:
ENID BENNETT
IN "WHAT EVERY WOMAN LEARNS" AT THE RIALTO THEATER.
URGES SPIRIT OF LOYALTY.
GEORGE B. CORTELYOU,
PRESIDENT OF THE AMERICAN GAS ASSOCIATION AT OPENING OF FIRST CONVENTION OF THE ASSOCIATION, AT PENNSYLVANIA HOTEL, SAYS IT IS ESSENTIAL FOR ALL UTILITIES TO BE SCHOOLS OF PATRIOTISM.
YOUNG JAKE SCHAEFER
MATCHED WITH MORNINGSTAR
NATION'S LEADING BILLIARDISTS TO BEGIN PLAY THIS WEEK FOR CHAMPIONSHIP AT THE HOTEL ASTOR.
10-16-44
(Released by The Bell Syndicate, Inc.)

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A national cartoon feature, which appeared in the New York Sun, *October 16, pays tribute to the late George B. Cortelyou, first president of the American Gas Association*

A Slogan Goes to College

WHILE the slogan of the manufactured gas industry, "If it's done with heat, you can do it better with gas," is fairly well known, it is doubtful if most people would recognize it in either one of the two forms given below.

A college professor explained it to his class as follows: "If it is accomplished with the sensation produced by calories, you can immeasurably do it better with matter in its most rarified state."

Not to be undone, or better understood, an Englishman said it this way: "You can accomplish the desired task with much greater facility by employing an aeriform illuminating fluid."

Unique Gas Use

Using the technique developed for gas radiant tubes of extra length, a prominent industrial gas equipment manufacturer has applied a section to immersion tubes for heating large tanks. Greater heat input and minimum space for the heating coils are among the advantages.

POSTWAR RECOMMENDATIONS

(Continued from page 472)

water temperatures to supply home laundries, dishwashers, etc.

Detailed recommendations are given concerning draw-off characteristics, tank features, burners, and controls and accessories. Design to minimize service requirements is emphasized.

House Heating Appliances

These recommendations are somewhat more generalized, stating, in part, general objectives of ideal heating systems. Even temperatures, elimination of cold floors and noticeable drafts, elimination of wall discoloration, elimination of expansion and contraction noises, and facilitation of the starting up of heating appliances by the consumer are emphasized.

It is suggested that consideration be given to the basic fundamentals involved in comfort heating, such as the relative intensities of heat from different types of heating appliances and heating means, as related to human comfort. Greater emphasis should be given to designs of heating means which will yield a mild, even heat distribution, as contrasted with concentrated sources of heat at high temperature.

While it is recognized that non-vented heating appliances have been and are still important gas consuming devices and when properly and carefully manufactured, installed, and used, have satisfactorily served their purpose, it is felt there should be an increasing trend toward universal application of venting to all house heating appliances. Special emphasis should be given to having properly vented heating equipment incorporated in the original plan and construction of each building.

Appearance and sales appeal should be given more emphasis in design. The appearance and reality of sturdiness to avoid adverse customer impression of "tinny" furnaces require attention.

Specific recommendations are made concerning factors affecting installation.

Fully automatic, safe, and reliable ignition from cold start is recommended to eliminate the need for gas company seasonal "starting" service.

Controls to eliminate alternations or intermittent operations and produce a smooth, even, overall effect are recommended.

Emphasis should be placed on control of comfort within each individual room and within closer limits than have been attained in the past, as for example with zone heating or with other means producing similar results.

Design and capacity of equipment for use on the Pacific Coast should take account of the general practice of daily reheating of the home, with the house completely cooled off during the night.

Specific recommendations are included concerning service accessibility, accessories and controls, and markings and instructions.

HOTEL & RESTAURANT FIELD

(Continued from page 476)

but it has been done, although it is not the most desirable method. In selling the equipment do not undercut the market; leave it to the dealer and if he wants to cut prices or give the goods away, that is his business.

Time was when the utility out of the goodness of its heart wanted to do just about everything for its customers; it not only sold the equipment at cost prices, it extended terms that were left entirely to the customer. You know one of those things: "Don't worry about payment, just pay whenever you can." How liberal. What a blow to the dealer who is trying to operate his business according to accepted principles. The utility gets paid on a cash basis for the fuel or power consumed, the investment in equipment remains on the books until the customer feels like he wants to pay it. Glad to relate that such practices are pretty well passe now; but they deprived the dealer of many sales without profit to the utility.

Here is a further consideration for members of the American Gas Association. You have long labored to gain recognition for the adoption of equipment standards—your program has met with partial approval, but it has been a hard fight. You are troubled as to how to further advance this worthy cause. Selling your idea to users of approved equipment is the hard way—it is doubtful if you can be successful with present methods. If you can gain the approval of your tested equipment program with those who are selling and handling the equipment, it is logical that you will have made a great step forward. The A. G. A. standards program should have the approval of any dealer interested in selling his customers the best of equipment for the purpose. This being the case, why not invite the industry to cooperate with you in gaining public acceptance and demand for A. G. A. approved equipment? If this is practical, what better way could you gain approval of your plan than by adopting a sales program whereby you cooperate, rather than compete, with the dealer?

In the days ahead all of us have a great responsibility to help our country get back to a normal basis: to help develop all the business possible so that there may be jobs for everyone. The practices that have prevailed in this industry in the past are not conducive to better business and should be frowned upon. This is the time to make changes and to be ready when the war is over to do an efficient and successful sales job. You, too, will have new problems; customers will be thinking about competitive fuels, they will be listening to what the other fellow tells them. It will be better that we are teamed to work together and do the kind of a job that intelligent business folks can do when they decide to cooperate for their own good. It is in this spirit this article is written. Because of the writer's long experience in this field he will be pleased to be of service to those who want to undertake a campaign in their territory and seek the cooperation of the dealer. Certainly the proper start in such a program will do much to assure a successful campaign. It is there if you will but try.

Personnel Service

POSITIONS OPEN

Operating Superintendent for natural gas company serving small district in Eastern Kansas. Experience in gas measurement, distribution and well operation desirable. Permanent position for qualified man. Give record of experience and other pertinent information. **0394.**

Engineer familiar with AGA Testing Procedures for Research Laboratory. Permanent position with Manufacturer of Heating Equipment. State age, experience and salary desired. **0399.**

Qualified **plant foreman** to operate water gas plant in Southern state. Daily maximum output three hundred fifty million feet. Use Bunker "C" Oil and coke in set. **0400.**

Forward-looking company serving mixed gas in New York state is interested in securing an up and coming **technically educated** young **man** with a view to eventual promotion to assistant plant superintendent and subsequent growth in the organization according to his qualifications and adaptability. In addition to technical education, some chemical or gas plant experience would be helpful. **0401.**

Unusual opportunity for experienced **Home Service Director** for West Coast Public Utility. She will organize own department and direct staff of assistants. Must be well grounded in home economics and able to meet public. Excellent salary. Write fully. **0402.**

SERVICES OFFERED

Executive with many years experience in gas range manufacturing, sales, purchasing, merchandising, analyses. Experience also covers operation and management of bottled gas companies. Member A.E.F. World War 1. Available at once. **1484.**

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